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OPERATIONAL ACTIVITIES FOR DEVELOPMENT

Report of the Committee on Food Aid Policies and Programmes

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	PAM COMITE DES POLITIQUES ET PROGRAMMES D'AIDE ALIMENTAIRE	
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FIFTEENTH ANNUAL REPORT OF THE COMMITTEE ON FOOD AID POLICIES AND PROGRAMMES TO THE ECONOMIC AND SOCIAL COUNCIL, THE FAO COUNCIL AND THE WORLD FOOD COUNCIL

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GENERAL NOTES

1. All monetary values are in United States dollars ($), unless otherwise stated.

2. One billion equals 1,000 million.

3. All quantities are in metric tons, unless otherwise specified.

4. Low-income food-deficit countries include all food-deficit countries with per-capita incomes below the level used by the World Bank to determine eligibility for IDA assistance ($1,070 in 1988). At the end of 1989 73 countries were classified as low-income food-deficit.

5. The category of least developed countries (LDCs) was established by the United Nations General Assembly in its resolution 2768 (XXVI) of 18 November 1971. In including Myanmar (1987) and Mozambique (1988), the Committee for Development Planning used three criteria: GDP per capita, share of manufacturing in GDP and literacy rate. A country qualifies for inclusion in the list if: (a) its per-capita GDP falls below the lower cutoff point of the per-capita GDP criterion ($356), its manufacturing share is 10 percent or less of total GDP, and its literacy rate is 20 percent or less; or (b) it satisfies the manufacturing and literacy criteria, even if its per-capita GDP exceeds the lower cutoff point, so long as it does not exceed the upper cutoff point ($427); or (c) its per-capita GDP falls below the lower cutoff point and it has a manufacturing share of 10 percent or less of total GDP even if its literacy rate exceeds 20 percent. In 1989, 42 countries were classified as LDCs.

6. Geographic regions referred to in this report are: sub-Saharan Africa comprising all African countries south of the Sahara except South Africa; North Africa and the Middle East comprising the African countries north of the Sahara, the countries of the Middle East, Turkey and Afghanistan; Asia and the Pacific comprising the countries of Asia east of Afghanistan and Pacific island nations; Latin America and the Caribbean comprising all American and Caribbean countries south of the United States of America.

7. Common acronyms:

CFA	Committee on Food Aid Policies and Programmes
CEC	Commission of the European Communities (excludes national action of member countries of the European Community: Belgium, Denmark, Federal Republic of Germany, France, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain and the United Kingdom)
FAC	Food Aid Convention
FAO	Food and Agriculture Organization
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GNP	Gross National Product
IEFR	International Emergency Food Reserve (WFP)
IFAD	International Fund for Agricultural Development
ILO	International Labour Organisation
LDC	Least developed country

M&E	Monitoring and evaluation
MCH	Mother-child health
NGO	Non-governmental organization
OECD	Organisation for Economic Co-operation and Development (comprising Australia, Austria, Belgium, Canada, Denmark, Finland, France, the Federal Republic of Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States of America)
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHCR	Office of the United Nations High Commissioner for Refugees
Unesco	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UNSO	United Nations Sudano-Sahelian Office
WFP	World Food Programme
WHO	World Health Organization

SECTION I: WORLD FOOD PROGRAMME - OVERCOMING HUNGER AND POVERTY

1. The Universal Declaration on the Eradication of Hunger and Malnutrition adopted at the 1974 World Food Conference proclaimed that, "Every man, woman and child has the inalienable right to be free of hunger and malnutrition in order to develop fully and maintain their physical and mental faculties."

2. Fifteen years later the number of people who are hungry is greater than ever before. However, it has been estimated that global food supplies have been sufficient at least since 1960 to provide an ample, although near vegetarian, diet to every man, woman and child if food had been distributed according to need.

3. Since it began operations in 1963, the World Food Programme has used food made available by donor countries both to feed the hungry in emergencies and to finance long-term development projects. Over its more than 26 years of operation WFP's contribution to the attack on hunger has become increasingly more significant. At the end of 1989, WFP supported 288 active development projects with a total value of assistance from the Programme of $3.45 billion. By the end of 1989, total resources made available to WFP for the 1989-90 biennium had reached a value of $1.4 billion, including some 3.6 million tons of food.

4. WFP's annual turnover in 1989 - the sum of the resources managed by the Programme - was nearly $1.1 billion, the second highest on record. Programme support and administrative costs, as a proportion of turnover, were 6.6 percent. Total staff costs were just $47 million in 1989, or only 4.4 percent of turnover. The Programme's 439 international and 1,080 local staff served 91 developing countries through offices in 83 countries.

5. In 1989, 23 percent of all food aid was channelled to the world's poor and hungry through WFP, which was the first or second largest food aid donor to over half of all food aid recipient countries.

6. WFP assistance helps poor countries, and within countries helps poor people, overcome short-term food problems as well as deal in the longer term with the causes of poverty and hunger. Low-income food-deficit countries, countries whose people have an average annual income of less than $1,070 and have to import food to meet their requirements, receive most of WFP's assistance. Some 85 percent of WFP's development assistance goes to that group of countries. In 1989, new commitments for low-income food-deficit countries amounted to 81 percent of all WFP development assistance, 90 percent of assistance for long-term refugees and displaced people, and 99 percent of emergency aid. Total expenditure in low-income food-deficit countries in 1989 amounted to $597.3 million or 84 percent of all expenditure.

7. In value terms, nearly half of WFP food aid shipments for 1989, including for both development and emergency purposes, was to least developed countries (LDCs). WFP expenditure in LDCs in 1989 was $344.9 million, or almost half of total 1989 expenditure. More than one third - $1.16 billion - of WFP's total development assistance goes to LDCs, which received 40 percent of new WFP development commitments in 1989. In addition, more than 80 percent of WFP commitments for emergency assistance, and 44 percent of commitments for long-term refugees and displaced people, were for LDCs in 1989.

8. WFP emergency food aid helps people overcome temporary food shortages caused by crop failure due to drought or pests, floods, storms, earthquakes or other natural disasters, and armed conflict. In those situations, WFP distributes free food to the hungry to keep them alive, to tide them over the emergency period and then to help them resume their lives. In 1989, WFP helped some 8.4 million people in 24 countries in that way.

9. In addition, 22 projects worth $265.6 million, were approved to assist nearly seven million long-term refugees and displaced people. A new feature of WFP's assistance to those people is that food aid, as well as providing nourishment, will be used where feasible to support development and enhance self-reliance, including education and training opportunities, help in developing small-scale craft industries, and assist in developing agricultural and horticultural activities. In addition, food aid may be used to help support development activities for the surrounding host population and to ease the burden of refugees on areas where they are located.

10. If judged by the number of people who die as a result of famine, significant improvements have been made during recent decades. Even during the worst years of the African food emergency from 1983 to 1985, and later emergencies in Ethiopia, Sudan, Mozambique and other areas plagued by warfare, civil unrest and drought, hundreds of thousands of people, possibly millions, have been saved from famine.

11. In 1989, as part of the United Nations' Operation Lifeline Sudan, WFP played a key logistic role to move food mainly to southern Sudan, an area normally difficult to reach, under circumstances made far worse by civil strife. Through the combined efforts of United Nations agencies, the risk of starvation was averted for two million people.

12. Food aid also can play an important role in eliminating root causes of long-term hunger. WFP focuses on the rural poor, who often live in regions lacking roads and other infrastructure and who farm degraded soils. Their per-capita production of food is very low, and without improvements in productivity there can be no lasting food security. That requires a heavy investment in roads, irrigation, extension services, education and training.

13. WFP food aid is frequently used to help finance farm-to-market roads, irrigation works, improvement of local agricultural marketing systems and other means of creating rural infrastructure and increasing rural incomes. Two thirds of WFP's development projects, worth some $2.23 billion, supported agricultural and rural development activities in 1989.

14. The remainder, worth $1.23 billion, supported projects to improve health, nutrition, education and training for some of the poorest people in the developing world.

15. Administrative and managerial weaknesses are among the major constraints to using food aid effectively. In cooperation with donors and recipient governments, WFP recently set up food management units in Botswana, Ethiopia, Lesotho, Ghana, Niger, Burkina Faso and Guinea-Bissau.

16. In order to improve the implementation of WFP-assisted projects and the management of food aid, some 37 percent of WFP's training budget of $1.33 million for the 1988-89 biennium was used to train government counterpart personnel. During 1989, more than 3,500 government officials from 35 countries participated in training programmes organized or funded by WFP, covering topics such as project management, monitoring and evaluation, food storage and distribution, accounting and record-keeping, and computer applications to project management and monitoring.

17. Shortages of high-value commodities, the difficulties of sustaining the level of projects for sub-Saharan Africa and the cyclical nature of WFP's larger projects, particularly in Asia, all combined to cause a decline in the value of new WFP development commitments in 1989 to $575 million, nearly a fifth below the average of the previous five years, although the number of projects approved remained close to the average level of the previous three years.

18. Even with that reduction in WFP commitments, an estimated 34 million people will receive WFP food through development projects approved in 1989.

SECTION II: DEVELOPMENT ACTIVITIES

Level and regional distribution of assistance

19. At the end of 1989, WFP was assisting 288 ongoing development projects in developing countries throughout the world. The total value of WFP food and cash resources committed for those projects was $3.45 billion.

20. During 1989 WFP shipped over one million tons of food with a total value of $486 million (including transport costs) to development projects. A further $575 million (representing 1.58 million tons of food) was committed for future delivery to 43 new development projects or expansions of existing development projects, as well as budget increases for ongoing projects.

21. Low-income food-deficit countries received four fifths of 1989 commitments for development activities, while the share for LDCs increased from 36 percent in 1988 to 40 percent in 1989.

22. WFP gives sub-Saharan Africa the highest priority, as expressed in its 1988 Action Plan for Africa. In value terms, deliveries to development projects in that region in 1989 rose to 32 percent of total deliveries to development projects, compared to 29 percent in 1987 and 1988. With $1.2 billion worth of ongoing development projects at the end of the year, the region receives the largest share of WFP development assistance. However, the $141 million in new commitments for projects in 1989 was sharply down from the $266 million committed in 1988. At 25 percent of WFP's total commitments for development in 1989, the region's share was also down significantly. Of new commitments for development in 1989, 60 percent was for support to agricultural and rural development. However, the region also received the largest share (45 percent) of new commitments for human resource development.

23. The Asia and Pacific region is second in terms of ongoing development projects assisted by WFP - $1.15 billion or 33 percent at the end of 1989. That region received the largest share of 1989 development commitments - $184 million or 32 percent. Nearly 90 percent ($161 million) of new commitments to the region supported agricultural and rural development.

24. Latin America and the Caribbean currently accounts for some 17 percent of WFP development assistance, or almost $600 million. New development commitments to the region in 1989 totalled $106 million, or 18 percent of all new development commitments.

25. North Africa and the Middle East are receiving over $500 million, or some 15 percent, of WFP development assistance. New commitments in 1989 for development projects in the region totalled $144 million, or 25 percent of new commitments, of which most ($120 million) was for agricultural and rural development.

26. While the number of project approvals during 1989 approached the average of the preceding three years, the $575 million committed for development projects in 1989 was the lowest since 1981. There were a number of reasons for that decline in commitment level. As noted, WFP is facing severe problems in sustaining the level of projects for sub-Saharan Africa, notwithstanding the high priority given to the region. Also contributing to the decline is the fact that commitments for WFP's larger projects, especially in Asia, tend to be cyclical, resulting in years with relatively high commitment levels, and years like 1989, with low levels. Moreover, in 1989 fewer commitments were made for high-value goods, particularly dried skim milk (DSM) and vegetable oil, which are expected to be available to WFP in very limited quantities in the coming

years.

27. Finally, projections of commodity availability have introduced a note of caution into the WFP commitment process. The amount of food available to WFP for development purposes suffered a sharp drop in 1989. At the same time as some donors have reduced the size of their pledges, world cereal prices rose sharply - in some cases by more than one third - from early 1988 to the end of 1989. As pledges to WFP generally are made in terms of value, any increase in food prices results in a decline in the amount of food available to the Programme. Consequently WFP has been caught in a double squeeze.

28. To cope with the shortfall in resources for development, which is expected to have a more severe effect in 1990, WFP established a commodity allocation process in 1989 for the 11 most important commodities, which constitute 90 percent by volume of WFP shipments. Allocations for 1990 to ongoing projects were reduced by more than one quarter.

29. Few recipient governments have the capacity to make up the shortfall in resources from their own budgets. In some food-for-work projects the rate of work could be slowed by as much as 60 percent. The incentive element of WFP-supplemented wages may have to be reduced, lowering income transfers to those, often the very poorest, who have no alternative livelihood.

Beneficiaries of WFP development assistance

30. There are three types of beneficiaries of WFP development assistance:

- the community, which benefits from overall economic development;
- those individuals who directly benefit from the development of infrastructure, social services or other improvements in well-being;
- those individuals who directly participate in project activities and their dependents, who consume WFP food rations.

31. Each project has immediate beneficiaries - those who directly participate in project activities and receive WFP food for themselves or their dependents. In all development projects approved in 1989, an estimated 34 million individuals at some stage will be immediate beneficiaries of the projects.

Assistance for sub-Saharan Africa

32. Sub-Saharan Africa receives the largest share of WFP commodities - 44 percent in value terms of total WFP deliveries in 1989, compared to between 34 and 36 percent in each of the preceding three years. However, along with other development agencies, WFP faces a number of major obstacles in its efforts to maintain the flow of development assistance to sub-Saharan Africa.

33. In a number of sub-Saharan African countries, both government and WFP staff are preoccupied by emergency situations and refugee feeding. Of the 46 emergency operations approved in 1989, more than half were in that region; nearly all were in aid of refugees and displaced people. The fiscal pressures on governments in the region are so severe that many are wary of taking on further obligations associated with new food-aided projects. WFP already provides considerable non-food assistance to help sub-Saharan African governments improve the implementation and development effectiveness of WFP-assisted projects. In 1989, $15.4 million of non-food resources, accounting for two thirds of all WFP non-food assistance to development projects, was provided to sub-Saharan Africa.

34. However, there is a limit to what WFP can achieve acting alone. Initiatives such as better analysis of country problems, better project design, more built-in monitoring and evaluation, and better coordination of inputs among donors are not enough; extra cash is needed to finance a wide range of project support costs. Joint programming missions with multilateral and bilateral donors help ensure that specific needs for funds, technical assistance, training and non-food items can be identified at the earliest stages and commitments made to provide those inputs at the right time.

Cooperation with non-governmental organizations (NGOs)

35. A WFP survey completed in 1989 found that many food-assisted projects would be strengthened through cooperation with non-governmental organizations (NGOs). With their strong continuing links with local communities, NGOs are especially effective in ensuring that development takes place at the grassroots level.

36. WFP currently has active links with some 270 NGOs, of which more than 100 are international. WFP's most important international NGO partners are CARE, Save the Children Fund, Catholic Relief Services (CRS), Caritas, Lutheran World Federation, Médecins sans frontières, Oxfam, World Vision, Africare, League of Red Cross and Red Crescent Societies, International Committee of the Red Cross and Norwegian Church Aid.

37. New guidelines to help improve the Programme's cooperation with NGOs have been issued. They enable WFP country offices, by means of a simple, quick procedure, to provide small amounts of food directly to NGO-assisted projects that have similar objectives and target groups as WFP-assisted projects. The annual maximum that can be provided is $200,000 in food cost or five percent by value of total food commitments to the project, whichever is less.

38. Food delivered to NGOs under those procedures will come from ongoing development projects and later will be replenished. A decision to provide WFP food to an NGO is exclusively based on the WFP country office's assessment and confidence in the NGO. The NGO is held responsible for internal transport and storage, as well as for the distribution of the commodities, and must report to WFP on the use of the commodities.

Types of projects supported

39. WFP-assisted development projects have traditionally fallen almost exclusively within two broad groups: (i) agricultural and rural development and (ii) human resource development.

40. Agricultural and rural development projects are quite varied, including projects for agricultural production (food crops, fisheries, forestry, dairy development), land development (soil conservation and watershed management, irrigation, drainage and flood control), rural infrastructure (rural roads, cooperatives, village structures, community development), rural settlement (including settlement of refugees) and establishment of food reserves.

41. Human resource development projects consist primarily of feeding vulnerable groups (mothers, infants, pre-school children) and support for education (primary and secondary schools) and training.

42. In all WFP-assisted development projects, there is a strong emphasis on support to rural areas and more specifically to the rural poor: small-scale farmers on marginal lands, landless workers, primary schoolchildren in village schools, expectant and nursing mothers, small children not receiving adequate nourishment and single women supporting families.

43. Projects to assist agricultural and rural development accounted for two thirds of WFP's development portfolio in 1989 - 193 projects with a value of $2.23 billion. The value of new commitments was $388 million in 1989, or 67 percent of total 1989 development commitments. The way in which WFP food aid is used differs with the various types of agricultural and rural development projects.

44. Projects to increase agricultural production, including land-clearing, forestry and land rehabilitation, accounted for 48 percent of WFP's development activities in 1989. In those projects, food aid is typically used either as food for work to fund labour-intensive activities, or as an incentive to encourage participation by local farmers in the project activities or to compensate them for the time they invest in the project.

45. A major problem in rural areas is the lack of physical infrastructure, such as roads to transport goods to market, water systems for personal use and agricultural production, and community facilities such as schools, health-care centres and social centres. Food aid can help construct those facilities through food-for-work schemes.

46. Land settlement projects, in which large numbers of farm families bring new land into production, accounted for six percent of WFP's development activities in 1989. Food assistance tides settlers over the initial settlement period until at least the first harvest, or until self-sufficiency in food production is reached. Food aid also can be used as food for work to construct agricultural infrastructure, public amenities and civil works.

47. Support to national food reserves, national market restructuring exercises or national price stabilization activities form a small but very important part of WFP development work. In the case of food reserves, the objective is to improve the country's capacity to cope with bad harvests or natural disasters by ensuring a security stock of staple foods for distribution at such times.

48. In market restructuring or national price stabilization projects, food aid is made available to governments for distribution, usually sale, when food prices are high. The proceeds normally are used to purchase local products at guaranteed prices after harvest, in order to replenish the reserve. Such projects help prevent excessive price fluctuations of staple foods which, if unchecked, could discourage local production (through producer prices falling too low immediately after harvest) or cause excessive hardship to consumers (because retail prices rise to high levels immediately prior to harvest). Along with providing food aid, WFP also plays a major role in supporting appropriate government policies by assisting donor coordination and ensuring that all funds generated through food aid from all sources are used for common, agreed purposes.

49. At the end of 1989, WFP was assisting 95 human resource development projects with an aggregate value of $1.23 billion, mainly projects for mothers and pre-school and primary schoolchildren. With a total value of $188 million, human resource development projects accounted for 33 percent of 1989 commitments; of that amount, $162 million was allocated to vulnerable group feeding (mothers, infants, pre-school children) and to students at primary schools.

50. In vulnerable group feeding projects, food aid may be used to encourage greater and more regular attendance at MCH centres. In addition, the food may provide a dietary supplement or (more rarely) a nutrition supplement, or it may constitute a transfer of income to households or individuals (because the food is in addition to existing income sources). The food aid may also provide budgetary support to the government, allowing it to expand social programmes, including vulnerable group health and nutrition programmes.

51. In school-feeding projects, WFP food is used as an incentive to encourage regular attendance by pupils at schools, and as a dietary and income supplement to the family (which helps compensate for loss of labour while the child attends school). It alleviates short-term hunger, thus improving children's learning ability. Sometimes WFP food also saves money in government budgets, which can be used for additional investment in education.

52. The United Nations General Assembly proclaimed 1990 as International Literacy Year. Linked to that proclamation is the formulation of a Plan of Action to assist Member States to eradicate illiteracy by the year 2000. The 1990 World Conference on Education for All in Bangkok is a major highlight of International Literacy Year. WFP's participation in the conference has been supplemented by its sponsorship with Unesco of a conference roundtable on "Nutrition, health and school performance".

53. Over a fifth of WFP's ongoing development projects, valued at nearly $800 million, support education. The bulk of that aid is in the form of school meals to primary day schools; the second largest share goes to boarding schools (usually, but not always, secondary schools); small shares go to vocational training programmes and universities. In addition, a sizeable share of WFP aid is provided to pre-primary institutions such as kindergartens or day-care centres, which prepare children for education. Through those activities, WFP reaches approximately six million children or youths a year. In terms of total resource volume, WFP is therefore among the largest supporters of education.

The environment

54. For more than a quarter of a century WFP has been active in providing support to help overcome the problems of environmental degradation. By the end of 1989, WFP was assisting 155 projects with environmental components, with a total value of resources from WFP of nearly $1.3 billion, more than one third of all WFP development assistance. That makes WFP and the World Bank the world's largest providers of development assistance for those purposes.

55. Environmental projects usually require a substantial and sustained investment to achieve long-term effects. Farmers in developing countries generally lack the capital to adopt erosion control practices or cannot afford to wait several years to recover an investment; governments are besieged by other pressing demands. WFP is one of the few available sources of funding for that kind of activity: the Programme can support projects for many years without repayment or immediate commercial benefits. Food aid provides a government with the means to undertake or expand a development project it could not otherwise afford.

56. The poor who WFP tries to assist often live in areas where soils are depleted, erosion is advanced, rainfall is inadequate and access by road is limited. To assist such groups, WFP must carry out activities with inherent environmental risks. A 1989 study to examine the environmental implications of WFP projects concluded that avoiding such risks depends primarily on attention to the design, implementation and maintenance of the projects. A checklist highlighting the types of projects supported by WFP that are particularly sensitive to environmental concerns has been devised for incorporation into WFP's project preparation guidelines.

57. In July 1989, WFP hosted the third high-level meeting of the Joint Consultative Group on Policy (JGCP), which consists of the main funding organizations of the United Nations system: UNDP, UNICEF, UNFPA, IFAD and WFP. The meeting, which brought together the executive heads and senior staff of those organizations, discussed measures they could take to promote environmentally sustainable development. Among the conclusions of the meeting was that developing countries should be assisted in preparing national environmental plans to improve the programming of external aid.

Project design and implementation

58. The effectiveness and impact of WFP's development work depends on how well projects are designed and how well governments are able to implement them. Considerable efforts to improve project design have been made within the framework of the new project cycle initiated in 1985. The main focus of the past year was the production of more comprehensive guidance material and the associated training of WFP staff members through regional seminars. In 1989 seminars were conducted for country staff in East and Southern Africa and in Latin America and the Caribbean. The technical inputs of United Nations agencies are of great importance in improving project design, particularly from FAO, which provides over half the total, as well as from ILO, Unesco, WHO, the United Nations Department of Technical Co-operation for Development and Habitat.

59. While good project design is extremely important, WFP-assisted projects require financial and technical inputs as well as food aid. Those can come from many sources. For development projects approved in 1989, the proportion of total project costs covered by WFP ranged from seven percent to more than 90 percent. In general, WFP provided a greater proportion of total project costs in the poorest countries. WFP covered less than half of total project costs in about two fifths of the projects approved. Beneficiary governments usually covered the remaining costs. However, in over one quarter of the projects external financing was also provided. The main sources of external financing for projects approved in 1989 were the World Bank; the CEC; various governments providing bilateral assistance including the Netherlands, the United States of America and the Federal Republic of Germany; United Nations agencies including IFAD, ILO, FAO, UNDP, UNSO and UNICEF; and NGOs.

60. A mid-1989 assessment of project monitoring and evaluation (M&E) showed that one quarter of WFP projects provided a separate financial commitment for built-in M&E activities, which are additional to the standard progress reporting, on-site supervision and periodic full-scale project evaluations. Projects covered by special M&E allocations accounted for about one third of total annual commodity deliveries.

61. In all M&E activities, extensive use is made of national institutions and consultants, particularly for system design and technical backstopping, and in some cases for implementation. In several of WFP's larger country programmes, automated management information systems, providing continuously updated information on inputs and outputs, are being further developed to include indicators of project effects.

Protracted refugee operations

62. In recent years the international community has witnessed a disturbing phenomenon: civil strife has spawned a considerable growth in the number of refugees and displaced people. It is estimated that at least 13 million people worldwide were affected in 1989.

63. One important aspect of man-made emergencies has been their long-term character. A 1989 internal review of WFP's protracted refugee and displaced person situations showed that some refugee feeding operations with a duration of more than 10 years had been managed as if they were sudden unexpected events. In the period 1978 to 1988, there were 36 protracted emergency situations, which required 310 separate submissions and approvals for emergency food aid.

64. Refugees, unlike victims of natural disasters or drought, depend almost exclusively on international and host government assistance. They are rarely allowed to seek outside employment and receive little or no cash to supplement their food rations or to cover their requirements for items other than food, such as cooking fuel. Internally displaced people seeking refuge from civil strife can sometimes be helped to settle in new areas. However, often their "temporary" status means that they cannot own land. Therefore, they share the same characteristics as refugees who move from one country to another.

65. Timely delivery is as important as the supply of varied and adequate rations. A guaranteed and continuous food supply and suitable administrative machinery are vital. Despite requests by WFP to donors for advance pledges against known needs, WFP has had serious problems in assuring food supplies to its refugee feeding operations. For example, in 1988 WFP faced an emergency resource crisis as early as July and had to draw heavily on the 1989 IEFR to ensure commodity availability to long-term refugees and displaced people in the last months of 1988 and the first months of 1989.

66. In order to improve WFP's ability to respond to the special needs of long-term refugees and displaced people, the CFA in 1989 therefore decided on certain changes in funding and approval mechanisms (see para. 98.A(ii)).

67. The transition from "emergency" to "quasi-development" is expected to take time. For donors, it means reallocating some funds from one budget to another as well as supplying additional commodities normally not provided in emergency food allocations. With the new approach, the process of assessing requirements for each operation also will be different. Rather than just concentrating on food needs, the possibilities for introducing training, in particular in farming techniques, as well as other activities aimed at finding durable solutions, will be examined.

68. In late 1989, 22 projects for protracted assistance to refugees and displaced people were approved for 1990 funding under the new modalities, entailing a total commitment of 857,000 tons of food with a value of $265.6 million. Two projects were for internally displaced people, and the rest were for refugees. Nearly seven million people, of whom 830,000 are displaced, will receive assistance under those projects.

SECTION III: EMERGENCY ASSISTANCE

69. Nearly 8.4 million people in 24 countries received emergency food assistance through WFP in 1989. Normally, all WFP emergency assistance has been funded either from the International Emergency Food Reserve (IEFR) or from a special allocation from WFP's regular resources (currently up to $45 million). However, as explained above, in 1989 new funding arrangements were instituted for protracted refugee and displaced person situations; those will apply to deliveries of food from 1990 onwards. Also in 1989, assistance to the Afghan refugees in Pakistan and Iran was funded through the Coordinator for United Nations Humanitarian and Economic Assistance Programmes relating to Afghanistan.

70. A total of 46 emergency operations were approved during the year, involving 259,000 tons of food valued at more than $93 million. Afghan refugees in Pakistan and Iran, and those affected by war in Afghanistan itself, were assisted multilaterally with an additional 225,000 tons of food through WFP.

Types of emergencies

71. WFP emergency operations are classified into three basic categories: man-made disasters (assistance to refugees or displaced people), drought or crop failure and sudden natural disasters. Man-made disasters have accounted for more than two thirds of total emergency resources in the past several years. In 1989, 78 percent of emergency assistance by value was provided for both long-lasting situations and new man-made disasters.

72. In Thailand, WFP continued to manage the food component of the United Nations Border Relief Operation (UNBRO), which coordinated ongoing relief efforts for the estimated 300,000 displaced Cambodians on the Thai-Cambodian border. WFP is working closely with UNHCR to develop a programme for the eventual repatriation of refugees and displaced people, and is ready to collaborate in arrangements for repatriation as soon as circumstances allow for their return to Cambodia.

73. People in six countries received assistance to overcome drought or crop failures. While the 1989 harvests were satisfactory in western Africa, some East African countries had poor harvests and required emergency assistance. Ethiopia experienced drought again during 1989 and will need exceptional assistance from the international community in 1990. To a lesser degree, Sudan also suffered from drought. Southern Madagascar and western Uganda also were affected by drought, while crops in Tanzania were seriously reduced by pests. In Mozambique, a combination of continuing civil strife and unfavourable weather reduced the harvest. In Asia, crops in southern Laos were seriously damaged by drought.

74. The only sudden natural disaster in 1989 for which WFP provided emergency assistance was the October earthquake in Algeria (although assistance to Tunisia following drought and hail-storms was also, partly, a response to a sudden natural disaster). Additional emergency relief was provided in 1989 to victims of the severe 1988 floods in Bangladesh. Viet Nam was again hit by typhoons, but WFP assistance was channelled through quick-action development projects using food for work to reconstruct and rehabilitate irrigation systems, sea dikes and forest plantations. Food-for-work assistance also was provided to Tunisia, where small farmers received food while they rehabilitated their damaged plots and fruit-trees.

Operation Lifeline Sudan

75. Some 250,000 civilians in southern Sudan are estimated to have died in 1988 simply because they were cut off from food supplies by civil unrest and armed conflict. To avoid a repetition of that disaster, in March 1989 the United Nations and the Government of Sudan agreed on terms for the safe passage of relief food to all parts of the war-devastated country - including areas held by rebel groups. Operating under the banner "Operation Lifeline Sudan", the relief effort coordinated by the United Nations set the ambitious target of delivering more than 100,000 tons of food to keep people alive until the October harvest.

76. Working closely with other United Nations agencies and NGOs, WFP coordinated the purchase and delivery of food by air, rail, road and waterway. It was clear from the start that even though arrangements had been made with the Government and rebel forces to establish "corridors of tranquility", through which United Nations food convoys would be allowed to travel without hindrance by armed groups, achieving the delivery goal would require a massive mobilization of transport and enormously complicated logistics.

77. With the rainy season fast approaching, there was little time to start such a massive operation. WFP assigned staff to the affected areas to assess food needs, monitor deliveries and organize distribution. The stock of food at various locations, including the provincial capital of Juba, was almost depleted, as there had been no road transport to the region since September 1988. Several thousand tons of food had to be made available

immediately. WFP chartered two Hercules aircraft, and along with two Transal aircraft provided by the Governments of France and the Federal Republic of Germany, organized eight flights every day alternating from Entebbe in Uganda to Juba and the rebel-held town of Torit. The airlift began in March and lasted until July. More than 5,000 tons of maize and other commodities were delivered.

Rapid delivery to meet initial food needs

78. Except for long-lasting refugee situations, where shipments can often be organized far in advance if food is available, rapid deployment of food in emergencies is always challenging. In most cases, initial food needs must be met in a matter of days, either by being obtained on the spot or urgently delivered through special measures. WFP commonly solves that problem by borrowing from in-country stocks destined for development projects. Care is always taken not to disrupt deliveries to development projects when borrowings are made for emergency operations. If timely replenishments can be arranged, it is sometimes possible to borrow from other donors or from government stocks. In 1989, WFP resorted to borrowing to speed the delivery of emergency food aid in 18 operations. In over half of those operations, distribution of WFP emergency food aid to beneficiaries began on the same day the operation was approved. If no stocks are available, WFP tries to purchase locally available food in anticipation of emergency food aid deliveries. As WFP's cash resources are limited, that option can be used only in exceptional cases.

WFP Emergency Handbook

79. A new WFP Emergency Handbook, issued in draft form in 1989, will assist the Programme, recipient governments and other aid agencies to respond more effectively to emergency situations. The handbook helps define appropriate food assistance, facilitates assessment of emergency food needs, assists in mobilizing resources from the international community and helps with the implementation of emergency food aid operations.

International Decade for Natural Disaster Reduction (IDNDR)

80. The nineties were declared the International Decade for Natural Disaster Reduction (IDNDR) by the United Nations General Assembly. The purpose of that initiative is to help reduce the loss of life, property damage and social and economic disruption caused by natural disasters, especially in developing countries. WFP always has been heavily involved in both disaster relief and in disaster prevention and reduction. Many WFP development projects are inherently emergency-preventive or include activities that have, or can have, direct bearing on disaster prevention or reduction, without being consciously planned as such. As part of the IDNDR initiative, WFP will investigate possibilities for mapping areas of greatest risk, particularly in relation to vulnerability by particular groups of people to nutritional disasters, and for designing built-in monitoring and evaluation systems for projects with a disaster reduction component so as to quantify, to the extent possible, the benefits of disaster reduction measures.

SECTION IV: TRANSPORT

81. As foreseen a year ago, WFP shipments of food in 1989 declined to 2.24 million tons from the 1988 record of 3.12 million tons. The 1989 level was in line with the average level of the three years preceding 1988.

82. Overall emergency shipments and shipments for protracted refugee and displaced person projects, including WFP regular resources used for those purposes, reached 737,000 tons, of which 426,000 tons were from the IEFR. Shipments on behalf of bilateral donors amounted to 458,000 tons in 1989, compared to 566,000 tons in 1988.

WFP support for internal transport

83. Also in 1989, WFP undertook to provide all logistic support to the United Nations rehabilitation programme in Afghanistan. Cross-border implementation of projects within Afghanistan increased significantly in 1989. The WFP-initiated United Nations Logistics Operation (UNILOG), based in Pakistan, delivered food and other goods not only for WFP, but also for other United Nations agencies and non-governmental organizations. WFP also investigated Soviet handling and rail facilities for transporting relief food aid to northern Afghanistan, and a WFP logistics officer was assigned to the Soviet city of Termez, near the northern Afghanistan border.

84. The World Food Programme Transport Operation in Ethiopia (WTOE) in 1989 delivered the millionth ton since it began operations in 1986. WTOE now operates 340 heavy-duty WFP trucks from five bases throughout the country.

SECTION V: RESOURCES

85. By 31 December 1989, total resources available to WFP for the 1989-90 biennium had reached nearly $1.4 billion, including approximately 3.6 million tons of food. The total includes contributions or pledges to WFP's regular resources, the Food Aid Convention (FAC), the International Emergency Food Reserve (IEFR), the special contributions for the Afghanistan operation and additional pledges to regular resources designated for the feeding of long-term refugees and displaced people.

86. The 1989-90 target for WFP's regular resources was set at $1.4 billion, of which at least one third was to be in the form of cash or services and the balance in commodities. By the end of 1989, 73 countries had pledged a total of just over one billion dollars, representing 72 percent of the target. Of that amount, three quarters was in the form of commodities (or cash for purchase of commodities), with only one quarter in cash. Thus the cash portion remains well below the one third level specified in WFP's regulations.

87. A pledging target of $1.5 billion, of which one third should be in cash, for the regular resources of WFP for the 1991-92 biennium was approved in 1989.

Commodity price increases

88. Prices of the major grains used by WFP started to move up significantly on the international market during 1988. After three years of relatively low prices, the cost of wheat, maize and sorghum began to rise, primarily as a result of the 1988 drought in North America.

89. Compared to average export prices of cereals for the crop year 1987/88, prices at the end of calendar year 1989 were 38 percent higher for wheat, 26 percent higher for maize and 28 percent higher for sorghum. Only in the case of rice has there been a recent significant drop in price, due partly to good harvests in south-east Asia. While prices of maize and sorghum have fallen from the peaks reached during the 1988/89 crop year, wheat prices have remained firm. In terms of tonnage, nearly half of WFP's shipments to development projects during the 1989-90 biennium are expected to be in the form of wheat.

90. The price of non-cereal food also rose, particularly dried skim milk, which continues to be in short supply. The price of pulses, especially coloured beans, was also higher than in recent years. Consequently, there have been difficulties in purchasing adequate quantities in developing countries to meet the Programme's requirements.

Improving food aid through commodity exchanges

91. Commodity exchanges have become an increasingly common and valuable facet of WFP-assisted projects in recent years. Typically WFP supplies a commodity of which the recipient country has a net deficit, and in exchange a locally available commodity is provided by the recipient government for distribution to the beneficiaries of the WFP-assisted project. Such an arrangement has a number of benefits.

92. WFP is able to provide a commodity that the recipient government requires but cannot import because, for example, of a shortage of foreign exchange. Often WFP-imported commodities, such as wheat, are swapped in the major cities where there is a demand for such foods, for commodities available in rural areas, such as rice, sorghum or maize, to be used in WFP-assisted projects. As a result, considerable savings are realized on internal transport costs. Beneficiaries are provided with familiar commodities. Exchanges may also help support the market for local commodities, thereby promoting local food production.

Increased purchases

93. Few developing nations have the means to donate substantial quantities of food. However, many of them can be sources of food and services that donors can purchase and put to good use either locally or in other developing countries.

94. In 1989, for the fourth consecutive year, WFP spent a record amount on food - more than $157 million to purchase 680,000 tons of food for distribution in developing countries. That is 16 percent more than in 1988, the previous record year. In addition to using its own cash, the Programme made purchases from funds provided through the FAC and the IEFR, and by bilateral donors and other United Nations agencies.

95. More than two thirds of the commodities - amounting to $107 million - were bought in developing countries, mainly in sub-Saharan Africa, which accounted for 36 percent of all purchases, a record 261,000 tons with a value of $57 million. Since 1985, WFP has spent nearly $400 million on food purchases in developing countries, in the process making a significant contribution to South-South trade.

Bilateral services

96. Upon request, WFP may arrange on behalf of bilateral food aid donors or United Nations agencies for the purchase of food, for its transport or for the monitoring of its distribution, for emergency relief and other food-aided operations. The Programme's expertise in those areas provides donors with an effective service through which to channel their bilateral donations of cash and food to developing countries. WFP is paid a fee for those services by the donors or agencies concerned.

SECTION VI: SUMMARY OF MAJOR DECISIONS TAKEN BY THE CFA DURING ITS 1989 SESSIONS

97. The CFA met twice in 1989, the first full year of implementation of the new methods of work approved by its Twenty-fifth Session in June 1988. The Twenty-seventh Session met from 29 May to 30 June and the Twenty-eighth Session from 11 to 13 December. Membership of the Committee during 1989 is shown in Annex I.

98. A summary of the major decisions taken during 1989 is given below:

A. Twenty-seventh Session of the CFA in Rome, 29 May - 3 June 1989

(i) WFP pledging target for 1991-92

The Committee endorsed the proposed pledging target of $1.5 billion, and it was submitted to the FAO Conference and the United Nations General Assembly for approval. (The appropriate resolutions were unanimously adopted by the two bodies.)

(ii) Review of protracted emergency operations for refugees and displaced persons

The Committee endorsed the following proposals:

a) that refugee/displaced person situations which have endured for more than one year be funded from a subset of regular resources of the Programme to be contributed separately by donors over and above their biennial pledges to the regular resources of the Programme;

b) that the resources so earmarked be supplemented by up to $30 million a year from regular resources, the amount to be determined annually by the CFA on the recommendation of the Executive Director;

c) that the resources set aside each year for meeting sudden emergencies be fixed at $15 million, unless otherwise decided by the CFA;

d) that, in respect of each protracted refugee or displaced person feeding situation, the Executive Director, on the basis of requests from host governments and in full consultation with them, present his proposals for responding to their requests for consideration by the SCP and approval by the CFA. For situations where WFP expenditure for the coming year was projected to be less than $1.5 million, the Executive Director would be authorized to approve the government's request in accordance with the existing delegation of decision-making to him by the CFA;

e) that the new arrangements be progressively introduced in 1990;

f) that comprehensive proposals for an improved IEFR be presented by the Executive Director, following consultation with the Director-General, to the Twenty-ninth Session of the CFA.

(iii) Audited accounts for 1986-87

The Committee:

a) unanimously approved the audited accounts of the Programme for 1986-87;

b) urged WFP and FAO to continue in dialogue with a view to resolving the problems discussed under the item;

c) noted with satisfaction that the ACABQ had decided to examine the matter at its next session and make its report available to the Twenty-eighth Session of the CFA. It was also noted with satisfaction that the FAO Finance Committee was seized of the matter and hoped it would make its report available at the Twenty-eighth Session of the CFA;

d) decided that it would be desirable to resolve the problem at its Twenty-eighth Session;

e) noted that, to facilitate consideration of the matter, a three-day session might be necessary for its Twenty-eighth Session.

B. Twenty-eighth session of the CFA in Rome, 11 - 13 December 1989

(i) The WFP budget for technical advisory, administrative and servicing expenses in 1990-1991

The Committee agreed to:

a) approve the budget for a total of $160,096,000 and authorize its recosting at the rate of exchange of 1,335 lira to one United States dollar adopted by the FAO Conference;

b) approve the ACABQ's recommendation for meeting necessary cost increases through the supplementary budget procedure and decide that supplementary budgets should be submitted normally to the CFA at its spring session in the second year of the biennium;

c) authorize that the 1988-89 budget estimates of $120,337,000 be increased to cover the actual costs which, at the time of preparation of the budget document for 1990-91, were foreseen to be $131,264,000;

d) approve the ACABQ's recommendation on post classification with effect from the 1992-93 budget;

e) approve the ACABQ's recommendation to establish five appropriation lines, transfers between which would require the approval of the CFA;

f) accept the request of the ACABQ to submit to it future financial plans for review and comments; such plans could also be submitted to the FAO Finance Committee if it so wished;

g) In view of (e) and (f) above and of changes introduced since the last change in the WFP Additional Financial Procedures in October 1981, decide that such procedures be revised as necessary, and request the Secretariat to prepare a draft thereon for consideration by the Committee at its Twenty-ninth Session.

(ii) With respect to a Headquarters Agreement for the World Food Programme, the Committee decided to:

a) appeal to the Secretary-General of the United Nations and the Director-General of FAO to intensify negotiations with the Italian

Government with a view to the adoption of a Headquarters Agreement at the earliest possible date;

b) request the Executive Director to bring the appeal to the attention of the Secretary-General and the Director-General, and in so doing, asked to stress the great importance which the CFA attached to the prompt conclusion of a Headquarters Agreement.

(iii) Relationships between the United Nations, the Food and Agriculture Organization of the United Nations and the World Food Programme

The Committee agreed:

a) to request the External Auditor to study the accounting procedures and recommend to the Director-General of FAO and the Executive Director of WFP the documentation which should reasonably be required for the accounts to be certified; that advice should be made in time to permit the timely certification of the WFP accounts for 1988-89; and

b) to invite the Secretary-General of the United Nations and the Director-General of FAO to engage, after consultation with the Executive Director of WFP, an eminent person to study the entire scope of the relationships between the United Nations, FAO and WFP and to make recommendations thereon to the Secretary-General of the United Nations and the Director-General of FAO; those recommendations should also be made available to the CFA at its Twenty-ninth Session.

ANNEX I

CFA MEMBERSHIP IN 1989

In 1989 the members of the CFA were:

Australia
Bangladesh
Belgium
Brazil
Cameroon
Canada
China
Colombia
Congo
Cuba
Denmark
France
Germany, Federal Republic of
Hungary
India
Italy
Japan
Kenya
Madagascar
Mexico
Netherlands
Niger
Norway
Pakistan
Saudi Arabia
Sweden
Tunisia
United Kingdom
United States of America
Zambia

TABLE A. WFP DEVELOPMENT COMMITMENTS, BY REGION 1963-89 ($ million)

Year	Total development commitments	Latin America and the Caribbean		North Africa and Middle East		Sub-Saharan Africa		Asia and the Pacific		Europe	
		Value	Share in total (%)	Value	Share in total (%)	Value	Share in total (%)	Value	Share in total (%)	Value	Share in total (%)
1963-72	1 194	165	14	505	42	190	16	318	27	17	1
1973	129	6	5	44	34	22	17	57	44		
1974	106	16	15	27	26	44	41	18	17	1	1
1975	393	58	15	89	23	67	17	177	45	2	0
1976	642	30	5	211	33	157	24	226	35	18	3
1977	367	51	14	106	29	60	16	150	41		
1978	392	44	11	99	25	120	31	129	33		
1979	492	5	1	58	12	193	39	234	48	2	0
1980	479	85	18	129	27	152	32	113	23		
1981	543	36	7	109	20	239	44	156	29	3	0
1982	613	34	6	151	25	246	40	179	29	3	0
1983	696	112	16	124	18	168	24	291	42		
1984	925	137	15	121	13	325	35	339	37	4	0
1985	*642*	62	10	151	23	192	30	238	37		
1986	629	110	17	116	18	241	38	163	26		
1987	621	110	18	79	13	227	37	205	33		
1988	779	121	16	110	14	266	34	282	36		
1989	575	106	18	144	25	141	25	184	32		

Notes: Details and percentages in tables do not necessarily equal totals because of rounding; a zero (0 or 0.0) indicates that the magnitude is less than half the unit used; a hyphen (-) between years, e.g., 1987-88, signifies the full period involved, including the initial and final years.

TABLE B. WFP DEVELOPMENT COMMITMENTS BY TYPE OF ACTIVITY, 1963-89 ($ million)[1]

Year	Total	Agricultural and rural development										Human resource development						Other	
		Agricultural production		Rural infra-structure		Settlement		Food reserves		Subtotal		MCH and primary schools		Secondary and higher educational training		Subtotal		Industry and mining	
		Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
1963-72	1 194	428	(36)	162	(14)	138	(11)	39	(3)	767	(64)	294	(25)	117	(10)	411	(35)	16	(1)
1973	129	52	(40)	27	(21)	7	(5)			86	(66)	28	(22)	15	(12)	43	(34)		
1974	106	48	(45)	36	(34)	5	(5)			89	(84)	13	(13)	4	(3)	17	(16)		
1975	393	133	(34)	41	(10)	46	(12)			220	(56)	169	(43)	4	(1)	173	(44)		
1976	642	341	(53)	98	(15)	40	(7)			479	(75)	136	(21)	27	(4)	163	(25)		
1977	367	125	(34)	35	(9)	56	(15)	6	(2)	222	(60)	125	(34)	20	(6)	145	(40)	1	(0)
1978	392	162	(41)	30	(8)	36	(9)			228	(58)	139	(36)	25	(6)	164	(42)		
1979	492	217	(44)	62	(13)	44	(9)	4	(1)	327	(67)	149	(30)	16	(3)	165	(33)		
1980	479	120	(25)	58	(12)	65	(13)	6	(1)	249	(52)	216	(45)	14	(3)	230	(48)		
1981	543	202	(37)	105	(19)	128	(24)	14	(3)	449	(83)	75	(14)	19	(3)	94	(17)		
1982	613	326	(53)	61	(10)	70	(11)	10	(2)	467	(76)	139	(23)	7	(1)	146	(24)		
1983	696	343	(49)	63	(9)	66	(10)			472	(68)	208	(30)	15	(2)	223	(32)		
1984	925	431	(47)	80	(9)	39	(4)	5	(0)	555	(60)	332	(36)	25	(3)	357	(39)	14	(1)
1985	642	345	(54)	102	(16)	37	(6)	15	(2)	499	(78)	107	(16)	37	(6)	144	(22)		
1986	629	348	(55)	33	(5)	80	(13)	49	(8)	510	(81)	83	(13)	37	(6)	120	(19)		
1987	621	211	(34)	70	(11)	17	(3)			298	(48)	307	(49)	16	(3)	323	(52)		
1988	779	314	(40)	70	(9)	49	(6)			433	(56)	294	(38)	52	(7)	346	(44)		
1989	575	326	(57)	21	(4)	39	(7)	1	(0)	388	(67)	162	(28)	26	(5)	188	(33)		

[1]See notes for Table A.

TABLE C. WFP EXPENDITURE ON DEVELOPMENT PROJECTS, EMERGENCY OPERATIONS AND PROTRACTED REFUGEE AND DISPLACED PERSON PROJECTS BY RECIPIENTS' ECONOMIC OR SPECIAL STATUS CATEGORY, 1985-89 ($ million)[1]

Category	1985		1986		1987		1988		1989[2]	
	Value	Share in total (%)	Value	Share in total (%)	Value	Share in total (%)	Value	Share in total (%)	Value	Share in total (%)
All WFP recipients[3]	777	100	645	100	716	100	874	100	712	100
By income group (GNP per capita[4])										
500 dollars or less	539	69	452	70	524	73	622	71	472	66
501 - 1 500 dollars	177	23	135	21	122	17	194	22	177	25
1 501 - 2 500 dollars	55	7	54	8	67	9	57	6	60	8
over 2 500 dollars	6	1	4	1	4	0	3	0	3	0
By special status category										
Least developed countries	332	43	240	37	286	40	355	41	345	48
Landlocked countries	142	18	90	14	89	12	136	15	126	18
Low-income food-deficit countries	628	81	448	69	529	74	659	75	597	84

[1]See notes for Table A.
[2]Provisional.
[3]Excludes programme support and administrative costs as well as expenditures on insurance premiums and warehouse facilities that cannot be apportioned by recipient. From 1985 to 1989, the latter amounted to 1.7, 2.3, 3.0, 3.3 and 3.5 millions of dollars, respectively.
[4]Actual for each year except for 1989, for which the GNP per capita in 1988 was applied. Based on World Bank Atlas for each year.

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GENERAL ASSEMBLY
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Items 82 and 86 of the preliminary list*
DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION
EXTERNAL DEBT CRISIS AND DEVELOPMENT

ECONOMIC AND SOCIAL COUNCIL
Second regular session of 1990
Agenda item 2
GENERAL DISCUSSION OF INTERNATIONAL ECONOMIC AND SOCIAL POLICY, INCLUDING REGIONAL AND SECTORAL DEVELOPMENTS

Letter dated 2 July 1990 from the Chargé d'affaires a.i. of the Permanent Mission of Venezuela to the United Nations addressed to the Secretary-General

I have the honour to transmit to you herewith, in accordance with the request made by the States members of the Latin American Economic System (SELA) during the Regional Conference on External Debt convened at Caracas from 18 to 22 June 1990, the text of resolution I and of the annex thereto, entitled "Latin American and Caribbean Proposal for a Solution to its External Debt Problem". I should be grateful if this text could be circulated as an official document of the General Assembly, under items 82 and 86 of the preliminary list, and of the second regular session of 1990 of the Economic and Social Council, under agenda item 2.

(Signed) Vicente VALLENILLA
Minister Counsellor
Chargé d'affaires a.i.

* A/45/50.

ANNEX

RESOLUTION I

The Regional Conference on External Debt, convened in Caracas, Venezuela, from 18 to 22 June 1990,

RESOLVES:

Sole Article: To approve the "Latin American and Caribbean Proposal for a Solution to its External Debt Problem" attached.

APPENDIX

Latin American and Caribbean Proposal
for a Solution to its External Debt Problem

I. INTRODUCTION

1. Latin America and the Caribbean has no future without economic development. The present crisis is further undermining standards of living, marginalizing more and more sectors of the population and is posing a threat to future growth. What is at stake in many countries is not merely the stability of democratic regimes but also the survival of a system of social coexistence and the very viability of the nations themselves. The Governments of Latin America and the Caribbean have reiterated their intention to meet their commitment to promote the development of their own nations so as to ensure peace and prosperity for their peoples and thereby create an economic environment that will enable them to honour their external obligations.

2. The external debt crisis has converted the eighties into a lost decade for the region's development. The external situation, featuring high external debt service and limited access to fresh outside financing, has increased the complex structural imbalances characterizing the region, particularly as regards the low levels of investment, the severe drop in real salaries, the decline in the average product per inhabitant and the rising rates of inflation. Between 1982 and the end of 1989, Latin America and the Caribbean will have transferred close to 250 billion dollars to the industrialized countries for debt-servicing. Despite this enormous drain on resources the region's debt will have grown by around 100 billion dollars during the same period. It is estimated that the total external debt of Latin America and the Caribbean amounted to approximately 434 billion dollars in 1989, which represents 300% of the value of the exports of all our countries combined in that year and is equal to 51% of the regional gross product. Added to this transfer has been the instability resulting from macroeconomic imbalances in the industrialized economies, their growing protectionism, the gradual deterioration in terms of trade, as well as continuous and exhausting external debt negotiations.

3. Creditors have made many efforts to highlight the differences, special circumstances and peculiarities surrounding the external debt of the different Latin American and Caribbean countries, in order to justify bilateral treatment of the problem. Although the structure, dimension, origin and sources of financing of the various country debts are different, it is true that there are no solid bases for distinguishing between the different subregions, or between the different

country groupings as regards the relative debt burden and its consequences for the entire region. The transfer of financial resources abroad for the service of the foreign debt has affected every country in terms of its negative impact on investment rates, growth, fiscal and macroeconomic imbalances, inflationary pressures, net resource transfers, difficulties in maintaining appropriate import levels and, in particular, the living standards of the population.

4. This proposal takes into account the difficulties faced by Latin America and the Caribbean as a result of the external debt situation. In this regard, it focusses on the problem and the solution from the standpoint of the different types of debt, which makes it possible for it to incorporate all the countries and mirror their interests in joint guidelines for action on external debt.

5. Eight years since the onset of the debt crisis, all the actors involved have finally begun to recognize that the debt is unpayable under the present conditions. The failure of arrangements agreed to date with commercial banks and the writing-down of portfolios demonstrate this. The inability to pay has led the countries of the region to engage in repeated, individual renegotiations with limited scope and to accept unsatisfactory results. Individual action has prevailed over collective action in Latin America and the Caribbean. Despite the fact that in specific cases favourable results may have been achieved, at the regional level this situation has deteriorated as the debt grew and the problems have been compounded. All this points to the need to launch a new joint regional-level endeavour aimed at achieving stable and fair solutions to the external debt problem.

6. Experience has also shown that in most cases the implementation of adjustment programmes and the conditionality criteria connected with the orthodox management of the region's external debt run counter to our countries' development goals and have entailed a high economic, social and political cost, as shown by the drop in all the social indicators in the region and the tensions affecting several countries, endangering the stability of the democratic system.

7. Latin America and the Caribbean does not reject the need for adjustments and structural reforms with regard to its economies and development policies. There is an awareness that if the productive apparatus is not modernized, the region will not be able to take its place in a highly competitive world nor to resume the path to development. Redressing macroeconomic balances, controlling inflation and reducing fiscal deficit are efforts in which Latin America and the Caribbean has been engaged throughout the decade. However, in most cases,

they have been seriously undermined and in some instances nullified by an adverse external economic environment, which is beyond our control. In future, the correction of economic imbalances will have to be undertaken in line with our own objectives, criteria and interests, and not at the price of sacrificing the development and wellbeing of the population. A prerequisite for reform and economic adjustment is the reduction of resource transfers for debt servicing, which would release resources for allocation to development programmes. This also implies a radical change in the present concept of conditionality.

8. The present Latin American and Caribbean proposal is based mainly on the premise that the region's external debt problem cannot be solved without a substantial reduction in debt principal and servicing, which would drastically reduce the resource transfer abroad. The link between debt balance/service and the ability to pay is therefore a key criterion for arriving at a lasting solution to the external debt problem.

9. Latin America and the Caribbean has continually advocated the need for joint efforts and a concerted solution to the external debt problem. This will benefit debtor and creditor countries alike, as all of them will experience increased production, improved export performance and rising employment levels in the short term. The present proposal incorporates a series of elements which reflect the economic, political and social realities of the external debt problem and calls for the corresponsibility of all the parties involved to be acknowledged and for an equitable and definitive solution to be found. Failure to use this opportu[illegible] now will inexorably induce more radical positions, with ve[illegible] high costs for both sides, and confrontations which we have avoided in the past and do not wish in the future.

10. The application of the fundamental elements of the present proposal, by providing substantial relief from external commitments, would redound in renewed political, economic and social viability for the countries of the region and would make the regular and predictable channeling of resources for development possible. Another new development that would arise from concerted action with creditors is Latin America and the Caribbean's credibility, currently inexistent, with respect to future compliance with debt servicing.

11. Since the beginning of the debt crisis, Latin America and the Caribbean has repeatedly held that the issue is political in nature and that a just, equitable and lasting solution to the problem must be found on the basis of the principle of coresponsibility of creditors and debtors. The Latin American

Economic Conference held in Quito in 1984 and the Cartagena Consensus are milestones in the designing of a joint regional position which is given concrete form in this Proposal.

II. BASIC PRINCIPLES AND OBJECTIVES

12. The objectives of the present initiative are to significantly reduce resource transfers abroad; progressively reverse the trend over the past decade whereby the region became the capital exporter, in order to obtain fresh outside funding for the implementation of investment projects; and remedy the situation of the high external debt levels in order to regain the economic and financial stability needed to resume the path to economic and social development. This is an essential condition for Latin America and the Caribbean to be able to grow, raising the depressed levels of investment and imports, expanding and diversifying exports and modernizing the productive apparatus, bridging the striking social gap, ensuring the wellbeing of its peoples and improving its relations with the international financial markets. In this decade, it is essential that, on the basis of the growing domestic challenges and the rapid and deep-seated changes in the international scenario, for the region to define its own autonomous identity that will allow it to effectively defend its interests and rights, strengthen and consolidate the democratic system and improve its share in the international economy.

13. The following objectives and principles constitute the core elements of the Latin American and Caribbean position on external debt:

a) The external debt is more than an economic and financial issue; it is a political problem that affects regional stability and security.

b) The urgent need for the region to resume the path to economic and social development. In order to achieve this, the average real growth of the economies must be at least a level similar to the 1960s and 1970s, i.e. 6% per annum, which means a significant rise in the region's depressed investment rates.

c) The need to achieve a positive net transfer of resources to the region. In order to attain this goal, as part of the effort required to reactivate development, a significant reduction of the debt and debt service is essential to increase internal regional savings, expand exports and access to new financial resources from commercial banks and multilateral financial organizations, foreign direct

investment and funds from industrialized surplus countries. To this end, reductions in the nominal value of principal and ceilings on interest rates are envisaged.

d) The need to approach the problem of the debt and its solution from the standpoint of the different types of debt: with commercial banks, creditor governments, multilateral funding agencies and, lastly, intraregional debt.

e) Recognition of the joint responsibility of the parties involved in the search for an equitable and lasting solution to the external debt problem.

f) The development objectives, ability to pay and market value of the debt of each country are fundamental criteria for a lasting solution to the external debt problem.

g) Particular attention must be paid, during the course of the negotiations, to granting special and priority treatment to the relatively less developed countries of the region.

h) The need to strengthen regional unity and solidarity with respect to the external debt issue, within the framework of SELA as a political and technical forum for coordination and regional concertation in this area.

III. MAIN ELEMENTS

14. The international community now accepts the need for a reduction in the nominal value and servicing of the external debt of the Latin American and Caribbean countries, in order to find a lasting solution to the debt problem and thereby reactivate development. The initiatives and measures aimed at reducing the principal and service of the debt or easing the debt burden of the countries in the region is a major step in that direction.

15. The framework for a solution contained in the regional proposal focusses the problem on the basis of the different types of medium and long-term debt: with commercial banks, creditor governments, multilateral funding agencies and, lastly, on the intraregional debt.

16. This Proposal contains principles and elements that constitute concerted guidelines for action on external debt for the Latin American and Caribbean countries. They are designed to facilitate regional action vis à vis creditors using certain operative modalities, to be defined in due course. These

guidelines will be applied in case-by-case negotiations, which take into account the specificities of each country of the region, and are flexible enough to embrace specific measures for realizing the basic principles and objectives and main elements of this initiative.

17. Despite the relief from the present external debt burden that this proposal would provide, regional growth targets could best be reinforced with the support of additional, continuous and predictable resource flows, from commercial banks, international funding agencies, foreign direct investment and funds from industrial surplus countries, which would allow a positive net transfer to the region.

Central Objective

18. As stated, the challenge now facing Latin America and the Caribbean is to resume the path to economic development, making up for the drastic social lag that has characterized the 80s and the negative trends envisaged for this decade. For this purpose, Latin America and the Caribbean will require real growth of its economies at rates similar to the 1961 and 1980 levels of 6% per annum. From 1981 to 1989, the region grew at a rate of less than 1.5%, and in recent years less than 1%. The principal obstacle to the achievement of traditional growth rates by these countries once again is external financing. The SELA Permanent Secretariat has, to this end, carried out in-depth analyses of the possible evolution of sources of external funding, concluding that the present gap cannot be bridged, at least not in the medium term, by assumed inflows of fresh money, reduced interest rates, foreign direct investment, a significant reactivation of trade, repatriation of capital or greater sacrifices in domestic consumption.

Reduction of Transfers

19. The analyses prove that there needs to be a 75% reduction in the regional resources transferred abroad, equivalent to 4% of the region's GDP, thereby releasing the necessary funds which, together with adequate levels of domestic savings and foreseeable - though limited - external savings, would bolster employment and future growth. In order to attain the objectives stated in the preceding paragraph, according to the ECLAC/SELA analysis, it is considered necessary to reduce the present volume of transfers for debt servicing by 75%. This

could be achieved by different means 1/. One of these consists in a combined reduction of principal and interest rates so that payments do not exceed 25% of present transfers.

A. COMMERCIAL BANK DEBT

20. The regional proposal to significantly limit the transfer of resources abroad consists in concerted action with respect to: (i) a reduction in the nominal value of the principal of the debt; (ii) a fixed interest rate below the market rate; (iii) the substitution of all medium and long-term commercial bank claims 2/ with issues of new instruments with long maturities and a guaranteed value (bonds); and, (iv) making changes in banking regulations in order to facilitate these operations.

Reduction of Principal

21. Considering differences from country to country, the nominal value of the total principal of medium and long-term commercial bank debt will be substantially reduced by taking into account the value of the debt on the secondary market, the country's development objectives and its ability to pay.

22. Outstanding debt-service payments will receive similar treatment to that indicated in the preceding paragraph.

Long-term Bonds

23. The new debt instruments would be issued for the discounted face value of the debt. These titles will be in the form of long-term bonds, which will cover all debts at the cut-off date and will have 35-year maturities at least 3/. The bonds would be paid upon maturity unless the debtor countries express their intention to redeem them earlier.

1/ See joint ECLAC/SELA study "External Debt and Economic Growth in Latin America and the Caribbean: Economic Consequences of the SELA Debt Reduction Proposal Compared with Alternative Scenarios". April 1990.

2/ The same treatment is suggested for bonds held by foreign creditors.

3/ SELA Permanent Secretariat studies show that if 1% of principal were deposited annually at an interest rate of only 5.2% for a period of 35 years, it would be sufficient to pay in full on maturity the bonds that would be issued based on a 50% reduction in face value.

Guarantees

24. Capital payments on the bonds would be guaranteed by the issuing countries through the establishment of a fund to pay off these instruments upon maturity, or at an earlier date if the issuing country so chooses.

25. Each debtor country would set up its own guarantee fund, or will participate in a trust fund created for that purpose in the Inter-American Development Bank or in the subregional financial institutions, with initial annual deposits of not more than 1% of the value of the bonds 1/.

26. It is understood that the guarantee covers instruments that represent a reduction in the face value of the debt. In respect of fresh money, it is recommended that these flows should not be subject to guarantees so as to enable countries to return to the voluntary markets as soon as possible.

Yield of Long-Term Bonds

27. The bonds would yield a fixed interest, lower than the market rate, to be negotiated. Interest rates must be fixed, otherwise increases would nullify the benefit of a reduction in the face value of the debt.

Alternative or Complementary Solutions

28. Those countries who find that the general proposal is not appropriate for their characteristics, will look into alternate forms of relationship with commercial banks, inter alia direct buybacks in cash, new loans, debt-equity swaps, exchanging debt for long term bonds with floating rates of return, all as part of the main goal of ensuring an appropriate flow of resources guaranteeing high economic growth rates and better levels of social welfare.

Banking Regulations

29. This plan would be facilitated by the amendment of regulations in creditor countries governing banking and financial operations so as to provide tax and accounting treatment that would effectively encourage the commercial banks to participate in the mechanisms put forward in the Proposal. The measures to be negotiated and eventually adopted by creditor-country governments are as follows:

1/ See Note 3/ on p. 9.

a) To allow banks to absorb on their books over a ten-year period losses resulting from their participation in debt reduction operations, instead of registering them in a single year as is required under current regulations. The implementation of this measure has a precedent in the United States: the treatment accorded to farmers in difficulty.

b) Even though greater co-ordination and harmonization among creditor countries with regard to accounting and regulatory aspects would be desirable, in order to provide an incentive for commercial banks to participate in the arrangement suggested in this Proposal, there are great conceptual as well as operative differences in the regulations of the major creditor countries. The latter might require different approaches according to the source of financing, for example:

   i. In the European countries and Canada, which have high levels of provisioning, with sizeable tax incentives granted beforehand for the constitution of such reserves, these concessions should be given only to banks that participate in debt/debt-service reduction arrangements or that make a substantial contribution to new financing.

   ii. In countries that have provided little or no incentive for provisioning, it would be wiser to adopt a differential reserve requirement policy, with higher levels applied to creditor banks that do not participate in debt/debt-service reduction arrangements or in granting new funds. This is particularly important in the United States.

   iii. In the case of Japan, current flexibility must be maintained in order to allow Japanese banks to participate in debt reduction schemes and to continue to provide tax incentives for this type of action.

c) The tax and accounting regulations of creditor countries should be as clear and transparent as possible, in order to facilitate the process of negotiating debt/debt-service reductions.

d) If the commercial banks shirk their responsibility in finding a solution to the debt problem, the option of evoking Article VIII 2 (b) of the Agreement establishing the International Monetary Fund might be considered, in order to authorize exchange control on remittances of interest payments abroad by debtor countries, implying an

appropriate level of debt-service reduction in order to release resources for growth, within the framework of the programmes agreed on between the IMF and the debtor countries.

Changes in the Clauses of Loan Contracts

30. The elimination of clauses preventing the States from directly buying back their own debts and greater flexibility in bank clauses, including a general waiver of those clauses concerning sharing of payments, pari-passu and negative pledges, will reduce the complexity and delay in arrangements between individual countries and the commercial banks.

31. The application and interpretation of various contractual clauses has at times been prejudicial to the debtor countries, by not allowing them the necessary flexibility in debt/debt-service reduction negotiations. The elimination or substantial modification of many of them, including those indicated in paragraph 31, would therefore seem to be a fundamental factor for future arrangements.

32. In recent years experience has shown that different waivers have been obtained in specific cases involving commercial banks to carry out debt swaps according to the modalities or the menu of options used by the countries of the region. This confirms that it is possible to make these clauses flexible in the manner this proposal suggests.

B. OFFICIAL DEBT WITH CREDITOR GOVERNMENTS

33. Negotiations between creditor governments and Latin American and Caribbean debtor countries should be geared towards achieving results which are consonant with objective requirements of the debtor countries in the region to significantly reduce the transfers of resources abroad and to increase the new resources in order to achieve the investment rate required. It is essential that the Paris Club negotiations be more flexible, so as to include substantial debt reductions, and reformulate the excessive demands and conditionality requirements now imposed on debtors in the context of reprogramming. The starting point, taking as a base the Toronto Terms agreed on at the XIV summit conference of industrialized countries, held on 19-21 June 1988 for restructuring the official debt of the low-income sub-Saharan African countries, would be to adapt these terms to the realities of the debtor countries of the region. In this context we should ensure that the International Community automatically grant the same Toronto Terms offered to the Sub-Saharan African countries to

those Latin American and Caribbean countries which qualify. As will be recalled, these terms were as follows: (a) a partial write-off of the face value of debt obligations; (b) concessional interest rates; and (c) longer repayment periods. This does not exclude write-offs of substantial portions of bilateral debt.

34. Specific additional agreements to be established within the framework of the Paris Club would be as follows: (a) new across-the-board rescheduling of all debt that has already been renegotiated; (b) later cut-off date; (c) write-offs of all late interest and reduction of interest due; (d) using the export performance of Latin American and Caribbean countries as a criterion for debt restructuring, in order to determine the ability to pay, given the negative impact of trade restrictions; (e) lowering of the interest rate floor agreed upon by the OECD; (f) reestablishment of full coverage of export credit; and (g) when a debtor country, because of its domestic economic situation or balance of payments problems, suspends external payments and enters into a renegotiation process, the conditions for export credit insurance coverage should not be modified nor should coverage be suspended; (h) reducing the cost of the export credit insurance coverage; and (i) renegotiations at the Paris Club should be more flexible.

35. Creditor countries must amend their laws and administrative provisions, as well as the relevant agreements and understandings, in order to facilitate effective implementation as outlined. In particular, it is recommended that these countries should be more flexible in their modus operandi to allow for the restructuring of specific projects.

Official Development Assistance (ODA)

36. Creditor countries, in allocating Official Development Assistance funds to Latin America and the Caribbean, shall endeavour to: (a) grant new concessional loans in significant amounts; (b) replace loan allocations with donations, at least for the current decade; (c) make retroactive adjustments in the terms of the loans already granted in order to convert them into donations or softer loans; and (d) channel part of ODA into replacing claims on those debtor countries which are subject to the application of market rates by international financial institutions, including the Caribbean microeconomies suffering the effects of graduation.

37. The countries of the region that make contributions to the International Development Association will take the necessary steps to ensure that these contributions are used to fund

projects in Latin American and Caribbean countries which are eligible for IDA resources.

C. DEBT WITH MULTILATERAL FUNDING AGENCIES

1. World Bank and Inter-American Development Bank

38. Negotiations with creditor governments must aim at bringing about substantial changes in the policies and procedures of the multilateral financial institutions (MFIs) indicated in order to: (a) guarantee a sufficient amount of new disbursements so as to ensure a net positive transfer of resources to the countries of the region; (b) take a positive attitude towards restructuring the debts incurred with the organizations, allowing current maturities to be extended; (c) reaffirm their function in promoting development, while avoiding encroachment on areas that are within the exclusive jurisdiction of national governments; and (d) co-operate with the debtor countries, supporting their proposals in negotiations with the commercial banks.

39. In these negotiations special and priority treatment should be accorded to those countries whose debt with multilateral funding agencies constitutes a large proportion of their total debt or when it is a significant burden of its total debt, in order to meet the objective of reversing the negative transfer of resources to the institutions by replacing the current portfolios at market rates of the affected countries with extended concessional financing.

40. Particular attention must be paid, during the course of the negotiations, to correcting the operative policies of these agencies in order to: (a) impose less rigorous conditionality on the granting of loans, respecting the priorities set in the economic and social policies of the Latin American and Caribbean countries and doing away with the undesirable practice of cross-conditionality; (b) substantially reduce their risk commission; (c) eliminate uncertainty and avoid the exchange risks involved in working with a basket of currencies whose value is constantly changing on the international market; (d) increase the gearing ratio; and (e) streamline loan approval and disbursement procedures; (f) ease the national counterpart requirements.

2. International Monetary Fund

41. The problem posed by arrears in debtor countries' financial obligations with the IMF should continue to be addressed using constructive criteria, which would allow this situation to be

corrected. To this end, the IMF should also consider new forms of funding for countries with severe balance of payments problems which lead them to fall into arrears in the payment of their obligations, so that they would no longer be classified as ineligible.

42. An additional location of Special Drawing Rights should also be issued in order to support, inter alia, operations aimed at reducing developing country debt. Furthermore, it is essential to increase IMF quotas above the level recently agreed upon and to bring the next quota review forward before to 1993, so as to adequately meet the needs of the countries of the region, broaden access to these resources and make it more flexible.

43. The possibilities of mobilizing present IMF resources for debt reduction schemes should be fully explored. These include non-utilized lending capacity, unused gold holdings, funds from the General Arrangements to Borrow and the possibility of expanding countries' borrowing capacity in relation to their quotas.

44. Compliance with IMF conditionality must be linked to prevailing external conditions, to the structural problems to be solved in the medium and long term and to the existing political, social and administrative limitations in the countries of the region. It is now clear that conditionality criteria should be geared towards making development viable.

IV. OTHER COMPLEMENTARY ACTIONS TO BE UNDERTAKEN BY LATIN AMERICA AND THE CARIBBEAN

D. DEBT-TRADE LINK

45. A series of criteria should be defined which effectively link the renegotiation and reduction of the debt to the outcome of bilateral or multilateral trade negotiations, so as to establish a practical link between debt and trade, which would affect the ability to pay. What is especially necessary to avoid is that measures applied by the developed countries in the monetary and financial areas do away with or jeopardize current or future trade benefits stemming from bilateral or multilateral trade negotiations, especially in the framework of the Uruguay Round.

E. INTRAREGIONAL DEBT

46. The aforementioned elements of the Proposal are aimed at a genuine, lasting solution to be negotiated with international creditors. Along with these extra-regional efforts, it is essential to resolve the problem of intra-regional debt being faced by many Latin American and Caribbean countries. To this end, the major creditors in our own area should sustain their efforts and commitment to reduce overall debt and debt servicing levels. This would in turn give greater credibility and weight to a Latin American Proposal addressed to agents outside the region, and at the regional level it would help to strengthen the spirit of solidarity and regional cooperation.

47. The criteria which have been identified for the reduction of intra-regional debt coincide with those presented above.

48. The activation of the mechanisms identified by the Permanent Mechanism of Consultation and Concerted Policy Action (Rio Group) would provide substantial relief from intra-regional debt and debt servicing. The mechanisms are as follows:

a) Reduced debt levels

- Purchases of discounted debt
- Debt-equity swaps
- Conversion of debt into local currency

b) Reduced debt servicing

- Partial or total payment of interest with debt paper from the creditor country
- Compatibility between debt service and the debtor country's ability to pay
- Granting longer maturities in cases of default
- Payment with exports
- Payment of the debt in local currency

c) The Rio Club

- Interested countries could organize a voluntary joint negotiation process between a debtor and some of its creditors, based on the case-by-case approach.

49. One of the objectives in this area might also be, in the context of greater flexibility on the part of regional creditors, the preferential payment of debt contracted between countries of the region.

50. The elements incorporated in this proposal for the treatment of debt with multilateral funding agencies (paragraphs 40 to 42) could be considered in cases involving subregional financial institutions.

51. The flexibility established by the Rio Group with regard to intra-regional debt presents certain modalities that could be used in dealing with this debt:

a) Strengthening Countertrade

A countertrade programme including a payment plan would be drawn up along with restructuring agreements.

b) Joint-investment Programme

Bilateral industrial investment agreements, in the context of joint investment or joint ventures, provide the opportunity for part of the debt to be entered as a contribution made by the creditor country.

c) Technical Assistance

In bilateral technical co-operation programmes part of the technical assistance could be entered as a counterpart expense for the debtor country and charged as debt payment.

d) Government Procurement

As far as possible, in relevant cases, the creditor countries of the Rio Club could establish preferences in their state procurement in debtor countries and the payments would be financed through mechanisms that imply debt payment or would simply be registered as such.

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OPERATIONAL ACTIVITIES FOR DEVELOPMENT

Committee on Food Aid Policies and Programmes

Note by the Secretariat

1. Attention of the Economic and Social Council is drawn to a decision adopted by the Committee on Food Aid Policies and Programmes at its twenty-ninth session on the governance of the World Food Programme (see the annex below).

2. In paragraph 7 of the decision, the Executive Director of the World Food Programme was requested to transmit this decision to the Economic and Social Council and to the Council of the Food and Agriculture Organization of the United Nations for their information.

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Annex

DECISION ADOPTED BY THE COMMITTEE ON FOOD AID POLICIES AND PROGRAMMES AT ITS TWENTY-NINTH SESSION

The Committee

1. Decides to establish, pursuant to paragraph 1 of Rule XA of its rules of procedure, a sub-committee on the governance of WFP and the relationships between the United Nations, FAO and WFP, to be chaired by the Chairman of the CFA, open to participation by all members of the CFA and observer Member States, with costs to be met within the existing WFP administrative budget;

2. Requests the sub-committee to study and make recommendations regarding the proposals put forward by the Member States, the Executive Director of WFP, the Director-General of FAO and the Secretary-General of the United Nations;

3. Authorizes the sub-committee to establish such working groups as it may deem necessary in the course of its work;

4. Requests the Executive Director of WFP to arrange for the sub-committee to commence its work in Rome no later than 3 September 1990;

5. Invites the Secretary-General of the United Nations and the Director-General of FAO and the Executive Director of WFP or their representatives to participate in its meetings and to render every assistance to the sub-committee in the performance of its work;

6. Shall consider for appropriate action at its thirtieth session the recommendations of the sub-committee;

7. Requests the Executive Director of WFP to transmit this decision to the Economic and Social Council of the United Nations and to the FAO Council for their information.

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REPORT OF THE ECONOMIC AND SOCIAL COUNCIL

ECONOMIC AND SOCIAL COUNCIL
Second regular session of 1990
Agenda item 5
INTERNATIONAL CO-OPERATION IN THE ELIMINATION OF THE CONSEQUENCES OF THE ACCIDENT AT THE CHERNOBYL NUCLEAR POWER PLANT

Letter dated 6 July 1990 from the Deputy Minister for Foreign Affairs of the Union of Soviet Socialist Republics and the representatives of the Byelorussian Soviet Socialist Republic and the Ukrainian Soviet Socialist Republic to the United Nations addressed to the Secretary-General

In connection with the consideration of agenda item 5 (International co-operation in the elimination of the consequences of the accident at the Chernobyl nuclear power plant) at the second regular session of 1990 of the Economic and Social Council and with decision 1990/211 adopted at the Council's first regular session of 1990, we are submitting additional information on the economic and social consequences of the accident at the Chernobyl plant.

We should be grateful if this letter and its annex could be distributed as an official document of the General Assembly, under item 12 of the preliminary list, and of the second regular session of 1990 of the Economic and Social Council, under agenda item 5.

(Signed)

Ernest E. OBMINSKY
Deputy Minister for
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Socialist Republics

(Signed)

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Socialist Republic to the
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(Signed)

Gennady I. OUDOVENKO
Permanent Representative
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Socialist Republic to the
United Nations

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* A/45/50.

ANNEX

Information on the economic and social consequences of the accident at the Chernobyl nuclear power plant, submitted by the delegations of the Union of Soviet Socialist Republics, the Byelorussian Soviet Socialist Republics and the Ukrainian Soviet Socialist Republics

INTRODUCTION

In terms of its scale and the damage caused, the accident at the Chernobyl nuclear power plant on 26 April 1986 was one of the most serious accidents to have occurred in the entire history of the utilization of atomic energy. From the viewpoint of radioactive contamination of the biosphere, it can be ranked as a global disaster.

The accident involved the discharge of substantial quantities of radioactive substances into the environment. In the area affected (including the evacuation zone), 76,100 km^2 were contaminated with caesium-137 at a level of between 1 and 5 Ci/km^2, and 28,100 km^2 at a level of above 5 Ci/km^2. These areas have a population of some 4 million, more than 800,000 of whom live in regions where the contamination level is above 5 Ci/km^2.

The accident disrupted the previous way of life and economic activity in various parts of the RSFSR, Ukrainian SSR and Byelorussian SSR. In just the first year after the accident, 144,000 hectares of farm land were taken out of use, forestry work was stopped on an area of 492,000 hectares, and many industrial and agricultural enterprises ceased operations.

In the spring and summer of 1986, 116,000 people were evacuated from the danger zone.

As a result of the accident or of their work in dealing with its immediate consequences, 30 people were killed or died from acute radiation sickness and many received high doses of radiation.

Work was carried out to protect reservoirs from radioactive contamination and a series of special hydraulic installations and traps were built to prevent the shifting of radioactive silt.

Three periods can be distinguished in the efforts to deal with the after-effects of the accident:

The first period, from April to May 1986, involved making initial estimates of the scale of the disaster and the radiation situation, taking action to prevent a spontaneous chain reaction and radioactive emissions from the damaged reactor, identifying areas exposed to radioactive contamination, and evacuating the population and farm animals from a 30-kilometre zone. At this stage, the main danger to personnel and the public at large was from external exposure, as well as from internal irradiation due mainly to ingesting or inhaling iodine-131 and 132;

The second period, from summer 1986 to 1987, involved mapping out the contaminated areas, construction of the "Encasement" ("Sarcophagus"), decontamination of the working area of the nuclear power plant, restarting of the No. 1, No. 2 and No. 3 reactors, measures to protect water resources from radioactivity, decontamination of settlements, scientific investigations and special measures on agricultural land. The main sources of radioactive contamination during this period were ruthenium-106, cerium-141 and 144, caesium-137 and 134;

The third period, from 1988 to the present day, has involved stabilizing the radiation situation in the 30-kilometre zone and other areas, getting the organization of work and dosimetric monitoring set up properly, carrying out operations to make the "Encasement" more secure, decontaminating of settlements, relocating inhabitants away from contaminated areas, taking measures to reduce contamination of agricultural produce and reorganizing agricultural activities, collating material relating to the accident, and developing and launching of a long-term programme for dealing with the after-effects of the accident. The main sources of radiation were by this time long-lived radionuclides of caesium-137 (for the most part) and strontium-90.

Notwithstanding the enormous efforts - unprecedented anywhere else in the world - to deal with the after-effects of the accident at the Chernobyl nuclear power plant and despite the considerable financial, material and technical resources committed, a reliable system for ensuring the safety of people affected by radiation is still not in place.

A State Union-Republic programme of urgent measures has been drawn up in the USSR for the years 1990-1992 to deal with the after-effects in the RSFSR, Byelorussian SSR and Ukrainian SSR of the accident at the Chernobyl nuclear power plant. This programme was approved by the Supreme Soviet of the USSR on 25 April 1990.

On 26 October 1989, the Supreme Soviet of the Byelorussian SSR approved a State programme for dealing with the after-effects in the Byelorussian SSR of the accident at the Chernobyl nuclear power plant for the years 1990-1995. In the Ukrainian SSR, a similar long-term programme has been adopted for the period up to the year 2000. A corresponding programme for 1990-1995 has been adopted in the RSFSR.

The main urgent measures provided for in these programmes are:

Relocation of inhabitants away from settlements which were subjected to radioactive contamination as a result of the accident at the Chernobyl nuclear power plant and in which the population's safety from radiation cannot be ensured for long periods of residence, and the resettlement of people (especially families with children up to 14 years of age and pregnant women) who have expressed the desire to move out of areas where restrictions have been imposed on the consumption of local food products;

Implementation of a range of measures in the prohibited zone of the Chernobyl nuclear power plant to ensure the nuclear and radiation safety of installations in that zone, to treat and where necessary bury radioactive waste from the plant, and to prevent the spread of radioactivity beyond this zone;

Improvement of medical health services for the various population groups who suffered as a result of the Chernobyl accident;

Introduction of special measures with regard to agro-industrial production under conditions of radioactive contamination;

Supply of "clean" food products to people living in contaminated areas;

Provision of regular information to the population on work undertaken to deal with the after-effects of the accident, and action to educate the public with regard to radiation safety;

Scientific study of the problems involved in dealing with the after-effects of the accident and ensuring normal living conditions in the contaminated areas.

Radiation situation

The radioactivity released into the environment from the damaged Chernobyl reactor totals approximately 50 MCi (1.9×10^{18}Bq), or 3 to 4 per cent of the combined radioactivity of the fission products in reactor No. 4 of the Chernobyl nuclear power plant.

The long period of discharge of radionuclides from the damaged active zone of the reactor and the changing weather conditions (wind direction, precipitation) during that time in the European part of the country resulted in an extremely complex picture of radioactive contamination of a number of regions, and an uneven pattern of contamination both by area (spottiness) and by types of radionuclides.

The provinces subjected to radioactive contamination in the Russian Federation were Bryansk, Kaluga, Tula, Orel and to a lesser extent Kursk, Smolensk and Lipetsk; in the Ukrainian SSR - Zhitomir, Kiev, Rovno, Chernigov, Cherkassy and Vinnitsa; and in the Byelorussian SSR - Gomel, Mogilev, Brest, Minsk and Grodno.

The most widespread source of contamination giving a high background level of radiation is radionuclides of caesium-137.

The areas contaminated by caesium-137 are (in km^2):

	Density of radioactive contamination, Ci/km^2			
	from 5 to 15	from 15 to 40	above 40	Total
USSR	17 880 17 130	7 090 6 050	3 100 1 670	28 070 24 850
of which:				
RSFSR	5 760 5 760	2 060 2 060	310 310	8 130 8 130
Ukrainian SSR	1 960 1 540	820 350	640 200	3 420 2 090
Byelorussian SSR	10 160 9 830	4 210 3 640	2 150 1 160	16 520 14 630

Note: The numerator shows data inclusive of the 30-km evacuation zone; the denominator gives data for areas excluding the 30-km zone.

There are 2,224 settlements in the contaminated areas of the RSFSR, Ukrainian SSR and Byelorussian SSR. The total population of 824,000 living in these areas can be broken down as follows:

	Density of radioactive contamination, Ci/km^2			
	from 5 to 15	from 15 to 40	above 40	Total
USSR	1 542 584.5	564 206.3	119 33.5	2 225 824.3
of which:				
RSFSR	413 113.1	167 80.9	26 4.6	606 198.6
Ukrainian SSR	202 204.2	67 29.7	23 19.2	292 253.1
Byelorussian SSR	927 267.2	330 95.7	70 9.7	1 327 372.6

Note: The nominator shows the number of settlements; the denominator gives their population.

Contamination with strontium-90 at significant levels (from 2 to 3 Ci/km^2) is observed in some settlements in Gomel province, in the Byelorussian SSR, and in Zhitomir province, in the Ukrainian SSR. Soil contamination with plutonium-239 and 240 outside the evacuation zone is relatively low, mostly no greater than 0.1 Ci/km^2.

Accurate knowledge about the radiation situation is especially important in protecting the health of people living in the areas subjected to radioactive contamination.

The boundaries of the contaminated areas have remained virtually unchanged since radiation monitoring began in 1986. However, detailed investigations on occasion reveal previously unidentified local areas of contamination. Precise and detailed measurements therefore need to be made of the radiation conditions, taking into account the "spottiness" of the contamination, including a survey of each household in rural areas and of each building and structure.

The State Union-Republic programme of urgent measures calls for special operations to be carried out in two stages between 1990 and 1993 to determine radiation conditions with precision.

The first stage of work, being undertaken in 1990, involves an investigation of radiation conditions (estimate of the strength of the gamma-ray dose) by means of a house-to-house survey of settlements in Kiev, Zhitomir and parts of Rovno and Chernigov provinces in the Ukrainian SSR,

Gomel and Mogilev provinces in the Byelorussian SSR, and Bryansk province in the RSFSR, and also by means of wide-scale collection and analysis of soil samples to test for caesium-137, strontium-90 and plutonium-239 and 240 in these provinces.

The second stage of work, scheduled for 1991-1992, involves a house-to-house survey of settlements in a number of other provinces. It is planned to compile an atlas of the radiation situation in the European part of the USSR, which will be completed in 1993.

The comprehensive set of measures to establish the precise radiation situation, study the migration of radioactive substances, compile forecasts of changes in radioactive contamination in the different environments and formulate appropriate recommendations will require advice and co-operation from the World Meteorological Organization (WMO) and the International Atomic Energy Agency (IAEA). Assistance will also be required from the international organizations to carry out expert appraisals of the radiation situation using modern highly-sensitive radiation monitoring facilities, including mobile equipment.

Medical aspects of the accident

The accident at the Chernobyl nuclear power plant has required major reorganization of the whole system of health care. Both Soviet and foreign experience in radiation medicine was called upon in dealing with the after-effects of the accident.

The fact that the country had a specialized medical service, set up long before the Chernobyl accident to meet the needs of the nuclear industry and atomic power engineering, made it possible to organize medical assistance rapidly for the victims.

Faced with the complex radiation conditions in the European part of the country, agencies of the USSR Ministry of Health in co-operation with the USSR State Committee for Hydrometeorology and the agricultural authorities determined by what routes and at what levels the most dangerous radionuclides were entering the food chain, and drew up time-limited standards and recommendations to protect the population.

In the light of changing radiation conditions, the USSR Ministry of Health set the following time-limited radiation dose levels (internal and external) for the population: 10 rem for the first year after the accident, 3 rem for the second, 2.5 rem for the third and 2.5 rem for the fourth. The prompt introduction of emergency standards and implementation of a range of protective measures made it possible to reduce the total radiation doses received by the population by a factor of 2.5 compared with the doses predicted, and also to reduce the dose of internal radiation by a factor of 2-4.

According to available data, the average individual doses of radiation received by the population in contaminated areas over the period 1986-1989 were 6 rem in the RSFSR and 5.6 rem in the Ukrainian and Byelorussian SSRs.

Of this population 62.1 per cent received radiation doses of between 1 and 5 rem, 33.6 per cent between 5 and 10 rem, and 1.2 per cent between 15 and 17.3 rem. A dose of 17.3 rem was the maximum allowed for the period from April 1986 to 1 January 1990.

Among the 1.5 million people (including 160,000 children up to the age of seven at the time of the accident) living in the zone most heavily contaminated by iodine-131, the doses of radiation absorbed in the thyroid gland were as follows: up to 30 rad in 87 per cent of adults and 48 per cent of children; between 30 and 100 rad in 11 per cent of adults and 35 per cent of children; and more than 100 rad in 2 per cent of adults and 17 per cent of children.

Public health-clinic monitoring was organized and a State register set up to ensure regular checks on the state of health of people living in the contaminated areas and of those involved in dealing with the after-effects of the accident at the nuclear power plant. Scientific and methodological guidelines were established with regard to clinical treatment for persons affected by radiation as a result of the accident at the Chernobyl nuclear power plant.

In assessing the main demographic indicators (birth rate, mortality, natural growth rate) for the population in the monitored areas of the RSFSR, Ukrainian SSR and Byelorussian SSR, it must be noted that while they are for the most part comparable to those for the country as a whole, and although specially conducted surveys have not revealed specifically radiation-related changes in the state of health of children or adults, the natural growth rate of the population in the Byelorussian SSR, for example, fell from 7.4 per 1,000 in 1986 to 5.1 per 1,000 in 1989.

Clinical monitoring and thorough check-ups have, along with migration processes (departure of young persons from contaminated areas), helped to increase the rate of detection of diseases and functional disorders among the population. Many of these are indirect consequences of the accident, for example, inferior living conditions due to the safety restrictions imposed on the utilization of natural resources and the consumption of certain local food products.

According to data from clinical tests, the diseases most commonly found in children are respiratory diseases, chronic infections of the tonsils and digestive organs and disorders of the nervous system, cases of adenoids and dental caries.

An increase in the number of children with hyperplasia of the thyroid gland has been observed in clinical testing of people living in the forest-belt areas of the Byelorussian SSR, the Ukrainian SSR and the RSFSR, where levels of trace elements in the environment are low (and where goitre cases are endemic).

In the International Classification of Diseases, hyperplasia of the thyroid gland (first and second degree) is an unspecified goitre disease listed under functional disorders. It is found with the same or much greater frequency among children of other regions not affected by radioactive

contamination, and not only in those with a shortage of naturally occurring iodine. This may be related to the effects on the organism of various harmful factors (nitrites, perchlorates, thiocyanates, industrial poisons). Children in this category require constant medical monitoring with highly sensitive ultra-sound equipment.

Characteristic of the areas monitored has been the growing number of cases of iron-deficiency anaemia among children and the increased frequency of functional diseases of the nervous system (vegetovascular dystonia of various types, neuraothenic reactions, neuroses); in addition, some data on obstetrics show a downward trend.

It should be noted that negative socio-economic and psycho-emotional processes are being observed in areas subjected to radioactive contamination as a result of the prohibitions and restrictions applied in those areas, and the effects of adverse environmental factors other than those related to radiation are being felt.

Surveys have shown a definite reduction since the second quarter of 1986 in consumption of the main food products. The energy value of the diet has fallen and less fruit, berries and vegetables are being consumed. The supply of animal protein has declined.

Owing to restrictions on the consumption of local food products over a long period, the population has not been fully supplied with the nutrients that are physiologically necessary for metabolic processes and to increase the organism's resistance to the effects of adverse environmental factors.

The effects of shortages in the supply of food products (children's prepared foods, fermented-milk products, fruit and vegetables), much reduced periods of breast feeding, limited mobility and shorter time spent out-of-doors are apparent above all in the development of rachitis among children, an impairment of their defence mechanisms and adaptiveness, etc.

Thus, the clinical observations and selective expert evaluations suggest that the worsening public health situation in the monitored areas may be seen as a direct result of the combined effects of various adverse factors.

The major tasks in the area of public health are: determining the principal causes of the worsened state of health of people affected by radiation; finding ways and means to prevent harmful effects; and detecting various diseases in their early stages.

Efforts have been made since the accident to strengthen the material and technical resources of the treatment and prevention facilities in the provinces of Bryansk (RSFSR), Mogilev, Gomel (Byelorussian SSR), Kiev and Zhitomir (Ukrainian SSR), which have been supplied as a matter of priority with Soviet and imported medical equipment and drugs. In 1986 imported equipment was supplied mainly for the purposes of medical assistance to people suffering from acute radiation sickness. Between 1987 and 1989 the equipment purchased was mainly for diagnosis: ultra-sound apparatus and equipment for radioimmunoassay and immune-enzyme analysis.

The scale of the accident at the Chernobyl nuclear power plant called for fundamentally new approaches to the task of setting radiation levels for the population over the long term. A national commission on radiation protection has been drawing up a plan to ensure "safe" living conditions for the population in the contaminated areas.

The criterion proposed was the maximum dose beyond which there was a risk of developing such long-term effects as cancer and hereditary diseases.

On the basis of an analysis of research both in the USSR and abroad to estimate the biological effects of ionizing radiation over various dose ranges, a dose of 35 rem was recommended as the maximum over a 70-year life span. This limit was adopted as the criterion for determining whether or not protective measures should be maintained in particular settlements, and also for decisions in future whether to move inhabitants from settlements in which it is not possible to ensure that the maximum will not be exceeded under normal living conditions. There is some disagreement among the country's scientists at present regarding the level of the maximum dose.

The Soviet Government accordingly has decided to give priority to moving inhabitants out of settlements where the dose limit cannot be complied with. In addition, it is planned to pay suitable compensation to citizens relocated away from settlements where restrictions on the consumption of local food products have been imposed, and to find them housing and employment.

Work is now continuing in the Soviet Union on a plan that would take into account the effects on man of various harmful factors, whether or not due to radiation. This work is expected to be completed in October 1990.

An important role in finalizing this plan can be played by the international organizations.

In this connection, it should be noted that in late 1989 the Soviet Union requested IAEA to co-ordinate efforts to organize and implement a project for an international expert appraisal of the plan drawn up by the USSR to provide safe living conditions in the areas subjected to radioactive contamination after the Chernobyl accident, and an evaluation of the effectiveness of measures taken in these areas to protect public health. The IAEA secretariat supported this request and the project to carry out an expert appraisal with the participation of WHO, other international organizations and a group of independent experts from a number of countries is now being implemented.

The State Union-Republic programme of urgent measures to deal with the after-effects of the accident at the Chernobyl nuclear power plant provides for further improvement of the entire health care system in the areas contaminated by radionuclides.

It is planned to equip medical research and health care institutions with modern diagnostic and therapeutic apparatus, which will make it possible to provide a higher quality of medical monitoring, to carry out a thorough analysis of the state of people's health and to develop effective methods and techniques for the prevention and treatment of diseases and functional disorders with standardization of research facilities and methods.

The programme calls for a substantial strengthening of the material resources of health care institutions and an expansion of the network of diagnostic centres, laboratories and special clinics. In addition to the already established All-Union Radiation Medicine Research Centre in Kiev and Radiation Medicine Research Institute in Minsk, it is planned to open branches of the latter institute in Gomel and Mogilev provinces, as well as an RSFSR radiation medicine research and training centre in the city of Bryansk.

A special system is being set up to monitor the state of health and rehabilitation of those people who took part in dealing with the after-effects of the accident at the Chernobyl nuclear power plant. This system includes a network of regional rehabilitation centres and involves the setting up of regional interdepartmental boards of experts to determine the causal relationship between disease or disablement and work in dealing with the after-effects of the accident. It is planned to equip those centres and boards with modern apparatus for diagnosis and treatment. Priority is being given to training and retraining medical staff for health centres caring for victims of the accident.

The programme for improving the health of the population affected by radiation as a result of the accident includes conversion of a number of existing sanitoriums and health resorts, the construction of special new convalescent homes and the issue of special passes for children and adults to sanitoriums, holiday homes and Pioneer camps.

One of the key policies in efforts to protect the health of the population and counteract the harmful consequences of the accident at the Chernobyl nuclear power station is to provide various groups of the population with nutritionally sound food products.

Under this programme there is to be an increase in the production of foodstuffs from natural raw materials, rich in natural protective ingredients, such as carotenoids, vitamin C, bioflavonoids, food fibres and trace elements, and people in contaminated areas are to be given vitamins regularly as a prophylactic measure.

Since there are some kinds of apparatus needed for diagnosis and treatment that are not made in the Soviet Union, the international community could give assistance in re-equipping health centres with modern medical facilities, computers, and dosimetric, radiometric and spectrometric instruments and supplying drugs (including radio protectors) and multi-vitamin complexes.

In view of the importance for the international community of the experience gained by the Soviet Union in dealing with the consequences of the disaster, and also the importance for the Soviet Union of being able to draw on international experience, it seems desirable to establish a comprehensive international programme of work in the following fields:

Training and retraining medical specialists, primary haematologists, endocrinologists, oncologists, immunologists, epidemiologists, geneticists, psychologists, paediatricians, obstetricians and gynaecologists, health administrators and specialists in the field of human reproduction and family planning;

Improving knowledge of radiation medicine and radiation security among medical workers and people living in contaminated areas. For this purpose it would be helpful to prepare international handbooks on radiation medicine and security, to set up an interanational data bank for these areas and to prepare pamphlets for the general public;

Arranging for international experts to review the plans for dealing with the consequences of the Chernobyl disaster and give advice on protecting the population against radiation;

Carrying out joint research on the health of different groups of people living in contaminated territories;

Developing ways and means of diagnosing, curing and preventing diseases and functional disorders;

Protecting the environment and working out the optimum principles for settlement of the population.

A definite contribution would be made to efforts to deal with these problems by implementation of the measures set forth in the memorandum signed in April this year between the USSR Ministry of Health and WHO on the establishment of a long-term global programme for monitoring and minimizing the medical consequences of the Chernobyl disaster and on the setting up of an international radiation medicine centre in Obnisk.

The international community could help by arranging long-term programmes for children from the areas affected by the Chernobyl disaster to go abroad for treatment and convalescence.

Evaluation of inhabitants from areas affected by radioactive contamination

One effective way of protecting people against the dangers of radiation is to evacuate them from heavily contaminated areas. In the spring and summer of 1986, some 116,000 people were evacuated from the danger area - including 92,000 from the Ukrainian SSR, over 24,000 from the Byelorussian SSR and about 200 from the RSFSR. The evacuees had new houses built for them in rural areas, or were given flats in towns, and they were paid compensation for the property they had lost.

Determination of the long-term limit for exposure to radiation led to further evacuations from areas contaminated by radionuclides beginning in 1989.

It was decided by the Governments of the USSR, the Byelorussian SSR and the Ukrainian SSR to resettle the inhabitants of various settlements contaminated by the Chernobyl disaster in Bryansk, Kiev, Zhitomir, Mogilev and Gomel provinces where it would not be possible through decontamination and soil improvement measures to keep the individual dose of radiation they received over the course of their lives within the established limit. In 1990-1991, because of the radiation factor, and also because of social

considerations, it is planned to evacuate a total of 395 settlements (73,000 inhabitants), including 306 in the Byelorussian SSR (38,600 inhabitants), 22 in the Ukrainian SSR (19,200 inhabitants) and 67 in Bryansk province in the RSFSR (15,200 inhabitants).

Decrees have been adopted by the Government fixing the procedure and conditions for the payment of financial compensation to certain groups of the population for the property they have lost, and also for the payment of expenses connected with moving to a new place of residence. They also lay down the procedure for providing the citizens with housing at their new places of residence and arranging for work to be found for them.

In areas where restrictions have been introduced on the consumption of food products from local farms or private plots, the Union Republics estimate that they will have to evacuate a further 146,000 people (families with children up to the age of 14 and pregnant women), including 69,000 from the RSFSR, 21,000 from the Ukrainian SSR and 56,000 from the Byelorussian SSR.

For these evacuees it will be necessary to build several million square metres of housing, cultural and service facilities, new estates and roads, and hence to expand the building and building materials industries.

The appropriate international organizations could help with this work by acting as intermediaries to arrange supplies of equipment for children's pre-school institutions, schools and cultural centres and for building enterprises.

Social welfare for people living in areas affected by radioactive contamination

In places where radioactive contamination is insignificant, and it is not intended to evacuate the population, measures are planned to reduce the amount of exposure to radiation still further and to improve social conditions and services.

For inhabitants of a number of places in areas affected by radioactive contamination, a decree was introduced by the Government of the USSR in 1986, and followed up by various decisions, which limited the consumption of food products from local farms and private plots because they contained more than the permissible levels of radio nuclides. Various privileges and benefits were introduced for these people, including cash benefits and free meals for children at schools and pre-school institutions. At the beginning of 1990, there were some 280,000 people living in such places, including 110,000 in the RSFSR, 50,000 in the Ukrainian SSR and 120,000 in the Byelorussian SSR.

In the light of the new data on the state of health of the population living in contaminated areas and the need to improve their diet and calorie intake, their medical services and their material conditions, the main attention will be concentrated in the next few years on measures to improve health care and material conditions for these people.

It is planned to pay cash benefits to people in less contaminated areas as well, in order to compensate them for the cost of obtaining extra food supplies because of the partial restrictions on the consumption of milk and, in some cases, other food products from local farms and private plots.

Among residents of contaminated areas, those who work have been given extra vacation, women have been allowed additional maternity and child-care leave, working pensioners receive full pensions regardless of what they earn, benefits for needy families and pensions for non-working pensioners and persons disabled from childhood have been increased, and the conditions for the payment of State pensions have been eased.

In order to ensure that the foodstuffs available to the population in contaminated areas meet the recommended standards, these areas are receiving additional supplies of meat and meat products, milk and milk products, vegetable oil, vegetables and melons, berries and fruit, particularly citrus fruit.

Acute problems are arising in finding work for different groups of the population, providing for their social and psychological rehabilitation and organizing teaching in schools. The organizations belonging to the United Nations system could make a substantial contribution to efforts to deal with these problems.

The cultural ecology

The Chernobyl accident was not just a radiation disaster, but also a tragedy in the history of the national culture. It is impossible to make good all the damage done, because it is permanent. People are only just beginning to grasp the extent of it. The most that can be done is to adapt to the new post-Chernobyl situation, from which there is no going back. The transformation that has occurred affects not just individuals, but whole ethno-social groups.

The area affected by the Chernobyl disaster included districts inhabited by different national groups in which various and sometimes unique cultural traditions had been preserved and handed down. In the contaminated zone there were wide areas of a special natural landscape containing monuments of materials and spiritual culture, including archaeological, historical and architectural sites. Little centres of ancient popular culture - crafts, folklore - have also been preserved, particularly in rural areas, and there are also popular museums (Vetka in the Byelorussian SSR), which need to be treated with the greatest possible care. These things, which are priceless, have not yet been properly studied and described.

It seems important that a comprehensive international humanistic, ecological and cultural programme should be set up under the auspices of UNESCO to save the main cultural assets which have been handed down since time immemorial in the affected regions.

Agro-industrial production and forestry in areas contaminated by radioactivity

The Chernobyl disaster did serious damage to agriculture and forestry. About 1.3 million hectares of agricultural land were subjected to radioactive contamination with a caesium-137 density of 5 Ci/km^2 or more. Hundreds of thousands of hectares of contaminated land were taken out of production, and the working of large areas of forest was halted. The process of taking agricultural land out of production is continuing. In the Byelorussian SSR, for example, this has already been done with 257,000 hectares of agricultural land, and it is planned to cover about 500,000 hectares in all. The result is a decline in crop yields and the number of livestock, with an adverse effect on the output of food products.

On the basis of the experience gained in the USSR and elsewhere in the world in dealing with the consequences of radioactive contamination of large areas, the main tasks of agro-industry and forestry in the initial period after the Chernobyl disaster were to protect agro-industrial and forestry workers against radiation, and to organize and implement a system of measures to prevent food products containing radionuclides in quantities above the accepted temporary limits from entering the human organism. Where that cannot be done, food products are brought in from elsewhere to supply the rural population.

A system was promptly set up in May 1986 for multi-stage radiation monitoring of agricultural and forestry output during production, processing and sales. A range of measures were introduced to ensure the production of high-quality foodstuffs at farms in the contaminated area through the formulation and practical application of recommendations and guidelines on how agricultural activities should be carried on in the specific conditions of radioactive contamination.

Measures are being taken to reduce the caesium-137 content of milk below the established temporary limits.

Under the State programme of work for 1990-1992 a combination of measures are to be carried out which will permit rational and safe use to be made of the agricultural and forest land in the areas where the population will live.

It seems desirable to seek the co-operation of foreign organizations and institutions under the auspices of the United Nations in obtaining advisory services and technical expertise for the organization of agricultural production in contaminated areas, the establishment of the appropriate infrastructure in those areas, the organization of small-scale enterprises for local processing of the produce and the training and retraining of staff in agricultural radiology.

International co-operation can be of help in dealing with such problems as:

Development of methods of maintaining soil fertility (optimization of the micro-nutrient balance), together with measures to prevent radioactive substances from entering plants;

Development of technology for reducing the caesium-137 content of agricultural produce during processing. Manufacture of the technical equipment needed for this purpose and its installation at plants;

Development of means to reduce the amount of radionuclides entering the organisms of farm animals and to hasten their elimination;

Development of ways and means of day-to-day monitoring of low levels (10-100 Bq per kg) of radioactive contamination of produce (including strontium-90);

Organization of mass production of highly sensitive radiometric instruments and their installation at farms, collecting centres, processing plants and trading enterprises;

Production of high-output processing plants (units), including mobile ones, for utilizing large quantities of biological materials with a high content of radioactive substances, in order to reduce the volume of radioactive waste.

Decontamination

Decontamination operations on land, buildings and installations after the Chernobyl disaster were mainly carried out by units of the armed forces. In the period since the disaster, more than 24 million m^2 of indoor premises and more than 6 million m^2 of land have been decontaminated, and a large amount of radioactive waste has been taken away and buried.

Nine hundred and forty-four settlements have been decontaminated (some several times over), including 448 in Gomel province and 190 in Mogilev province in the Byelorussian SSR, 56 and 93 in Kiev and Zhitomir provinces in the Ukrainian SSR and 157 in Bryansk province in the RSFSR. These measures made it possible to improve the radiation situation in these settlements and to reduce the doses being received by the population.

In 1989 the decision was taken to evacuate a large number of residents from the area contaminated with radionuclides to clean areas (this operation is now being carried out on a large scale), which made it possible to limit the volume of decontamination work in 1990 and carry it out selectively at particular settlements.

An important area for international co-operation in this field would be the establishment of a comprehensive programme to develop ways and means of decontaminating equipment, machinery, buildings and installations and the implementation of such measures in settlements.

Scientific back-up for the work of dealing with the consequences of the Chernobyl disaster

After the Chernobyl disaster it was necessary to organize various lines of scientific research which would together ensure that future measures to deal with the after-effects of the disaster were scientifically based and monitored. The main part of the work was entrusted to organizations with appropriate experience and qualified staff. In the USSR research into the

effects of radiation on human beings, the environment, agricultural land and foodstuffs was pursued most vigorously in the mid-1940s, at the same time as nuclear weapons were being developed. The results of this research, in particular, provided the basis for the radiation safety standards for work with ionizing radiations and also the time-limited standards drawn up in connection with the Chernobyl disaster.

In the period since the Chernobyl disaster, the country's scientific organizations have carried out a wide range of scientific research on problems connected with the elimination of its after-effects.

The work programme for the coming period based on the main lines of research, including:

1. Study of the effect of radioactive contamination on the flora and fauna and forecasts of the environmental consequences of the disaster (ecology).

2. Monitoring of the level of contamination of environmental features with radionuclides and study of the processes of migration of fission products and trans-uranic elements (monitoring and forecasting of radioactive contamination).

3. Study of biological factors and remote consequences of radioactive effects on the population and development of measures to reduce the negative impact of these effects (radiation medicine).

4. Research into the effect of radioactive contamination on agricultural production and forestry, development of measures to reduce that effect and make use of foodstuffs contaminated with radionuclides (agricultural radiology).

5. Research into ways of preventing radioactivity from spreading outside the Chernobyl prohibited zone and reducing the doses received by staff, including measures to ensure the nuclear and radiation safety of the encasement and to develop ways and means of decontaminating environmental features, working and domestic premises and installations, equipment and transport facilities (decontamination).

6. Study of the social, psychological and legal aspects of dealing with the consequences of the disaster and preparation of appropriate recommendations.

7. Development of a plan for people to live and work permanently in safety in the areas affected by radioactive contamination as a result of the Chernobyl disaster.

8. Provision of the information and analytical material needed for the comprehensive programme of scientific research.

To make this research more effective it will be necessary to re-equip most scientific organizations with modern equipment and computers, some of which will have to be imported.

At the proposal of the Soviet Union, the Chernobyl International Scientific Centre is being set up near the Chernobyl power station under the auspices of IAEA. A research programme has been drawn up for the future centre, covering seven basic fields. They include problems connected with post-disaster reconstruction, radiation safety, development of new means of monitoring, decontamination of land and facilities, and radionuclide migration. Supplies of materials and equipment are being organized and arrangements made for accommodating foreign scientists. Twenty-five countries have provisionally indicated a desire to take part in the Centre's work. The appropriate international organizations could act as intermediaries in arranging for the Centre to be equipped with modern scientific apparatus.

Expenditure and losses resulting from the Chernobyl disaster

Direct losses of fixed assets and other material goods together with expenditure on action to deal with the consequences of the disaster amounted by themselves to 9.2 billion roubles in 1986-1989. They include: losses of productive and non-productive fixed assets amounting to 900 million roubles; lost output in agriculture and other sectors amounting to about 1.2 billion roubles; expenditure on the construction of housing, social and cultural facilities and services for the population affected by the Chernobyl disaster, road-building, measures to protect forests and water, decontamination operations and the provision of gas supplies to settlements amounting to 2.94 billion roubles; various kinds of compensation paid to the population amounting to 1.25 billion roubles; payment of cash benefits because of restrictions on the consumption of agricultural products from local farms and private plots amounting to 180 million roubles.

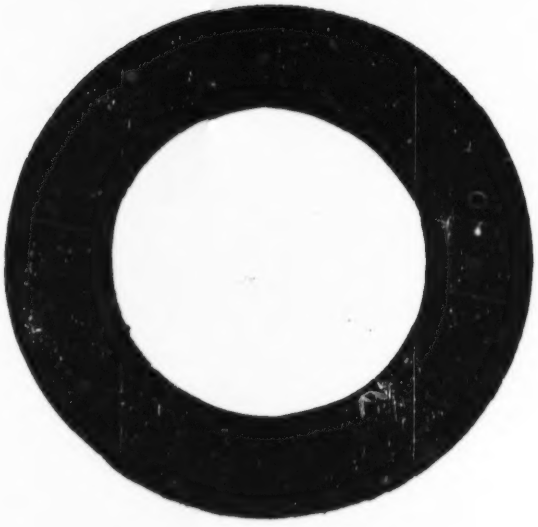
Indirect losses, however, represent an incomparably larger amount. The expenditure in question has been financed mainly from the State budget. Apart from budgetary allocations by the USSR State insurance agency, insurance payments have been made to individuals and agricultural and co-operative organizations in the amount of 274 million roubles. The total expenditure also included money contributed voluntarily by individuals and organizations to the assistance fund for dealing with the after-effects of the Chernobyl disaster in the amount of 532 million roubles.

The Supreme Soviet of the USSR has appealed to parliamentarians in all countries and to international organizations to provide assistance in dealing with the problems arising from the Chernobyl disaster.

The Presidium of the Supreme Soviet and the Council of Ministers of the Byelorussian SSR made a similar appeal on 20 February 1990.

The Council of Ministers of the Ukrainian SSR has appealed to Governments and public bodies in foreign countries and to international organizations for large-scale international co-operation in dealing with the consequences of the Chernobyl disaster.

A great contribution can be made to these efforts by United Nations organizations using the international machinery in order to further the economic and social progress of the peoples which have suffered from the disaster at the Chernobyl nuclear power station.



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ECONOMIC AND SOCIAL COUNCIL
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Agenda items 6 and 7
REGIONAL CO-OPERATION
DEVELOPMENT AND INTERNATIONAL
ECONOMIC CO-OPERATION

Letter dated 9 July 1990 from the Permanent Representative of Albania to the United Nations addressed to the Secretary-General

I have the honour to transmit to you excerpts from the speech delivered by Ramiz Alia, First Secretary of the Central Committee of the Party of Labour of Albania and President of the Presidium of the People's Assembly, on 6 July 1990, at the eleventh Plenum of the Central Committee of the Party (see annex).

I should be grateful if you would have the text of the present letter and its annex circulated as a document of the General Assembly, under agenda items 12, 99 and 103 of the preliminary list and of the second regular session of 1990 of the Economic and Social Council, under its agenda items 6 and 7, and brought to the attention of the Commission on Human Rights.

(Signed) Bashkim PITARKA
Permanent Representative of the PSR
of Albania to the United Nations

* A/45/50.

ANNEX

Excerpts from the speech delivered by the First Secretary of the Central Committee of the Party of Labour of Albania and President of the People's Assembly on 6 July 1990 at the eleventh Plenum of the Central Committee of the Party

The progress of the country and the guarantee of the people's freedom call at present for all to be vigilant and on the alert. We should follow the situation we are in and especially the actual politics certain forces are following towards Albania.

Just as we note with pleasure that international public opinion in general has evaluated the latest measures we have adopted for the further democratization of the country and sees with confidence that under its specific circumstances Albania will march ahead in this direction, we note also that there are forces who want to hinder this development of ours and change its direction: they want to lead it into an abyss without prospects.

The worst is that now these forces have met with some supporters, conscientious or not, inside the country, something expressed in the latest events in front of the foreign embassies in Tirana.

We issued a law granting passports to all nationals who demand such a thing. It is a completely democratic measure hailed by our entire people. But it so happened that, without reading the law to the full, some individuals immediately began to enter foreign embassies by force. It is natural to ask: Why such a rush to the foreign embassies when the doors to go abroad are open to anyone who wants to go?

It is clear that they seek to sow disbelief concerning the law itself and the measures adopted and those to be taken on the road of democratization that the Party has chosen and is resolute to pursue to the end.

Certainly the people who seek asylum in embassies are not patriots, nor honest citizens of this country: nothing can justify their act. We may be poor, undoubtedly have difficulties and shortages, but foreigners have never solved our troubles, the Albanians' trouble. Only we, the Albanian people, and no one else can and must build our country and make it progress.

But it is openly seen that here it is not a question of these disoriented persons, but one of those who lurk behind them. At home and abroad, the aims and actions of these destructive, anti-democratic and anti-Albanian forces go too far. They aim at creating a spirit of non-confidence in the measures we have adopted and will adopt concerning the democratization of the country's life, to create artificial political tension, aiming, if possible, to lead even to a confrontation between the State power and the masses. The Party, every Communist, every patriot, every citizen of our country must realize this, these aims of our enemies. Hence,

they must realize that here it is not a question of passports, a mistake, shortages or criticism, but these acts aim at depriving the people of State power and the country of its freedom and independence. No one should forget this. Here there is no room for indifference, nor for generosity or an underestimation of the situation.

As I said above, the democratization of the country's life is taking place in certain directions, in that of the economy, State power, culture, leading cadres and the Party's policy itself.

It is completely logical and correct that we have given priority to the implementation of measures in the economic sphere, which will not only lead to its growth and development, but will also exert a direct influence on the democratization of the entire life of the country.

However, these measures will be implemented gradually and will enter into force by the beginning of next year. In the economic sphere, the decision we shall adopt tomorrow regarding the organization and the improvement of services and handicrafts will bring about a genuine revolution in this field.

Work is now in progress on drafting a law on elections to the People's Assembly. This law will aim at democratizing the fundamental institution of the people's State power. One can only guess what a great influence this action will exert on political and social relations.

During the first half of next year we shall convene the Party congress, which not only will draw up a balance-sheet of previous measures, but it will also define the directions for the further democratization of the country's life, as well as measures for their implementation.

As you see, special care has been taken so that all the changes of the necessary corrections can be made in full harmony, not to create a vacuum in either field, so as to carry out the changes in a normal way, without haste or improvization, by preventing disproportions and counterbalances.

In starting with the economy as a priority field, which will serve as a basis for all the other changes, we started from our reality. But at the same time we have also taken into consideration some bitter experience in other countries, which began work from the tail and not from the head.

There exists a balance among all the directions and actions, a balance that has to be preserved, otherwise we would fall into dangerous spontaneity and irreparable anarchy. Besides, such changes are not made in a day, nor are they made in haste, without considering them well, without co-ordinating them well, without starting and analysing the objective conditions, without soliciting the opinion of the people, without preparing the technical aspects of the application, of the new measures, and so on.

Those who want the opposite, posing as both super-democrats and super-radicals, do not want democracy, but its hindrance and destruction, do not desire the country to progress, but its destruction.

The Albanian people are characterized by wisdom, the realistic assessment of circumstances and not by anarchic haste. They have never fallen and will never fall into the trap of provocations, nor will they fall into the anti-democratic traps hatched against them. The more so, when destructive acts like those of 2 July in Tirana, have a pronounced anti-national goal, where the hand and instigation from abroad are evident.

It is known that Albania's stability, its harmonious development and its further democratization are a major aid and support for the Albanians of Kosova, especially at present when they are fighting with legendary bravery to win autonomy and the national rights due to them.

It appears that there are forces that pose as democratic, humanist and so on, but in fact they are reactionary and obscurantist, and do not want to see the Albanians united as they have always been, but divided and hostile one to another. But Albanians, as in the key moments of their history, will know how to cope both with foreign enemies and domestic traitors. Their ideals of freedom, independence, sovereignty and justice, of national and individual dignity cannot be shattered by any pressure or by any force.

Nevertheless, we should not underestimate any hostile act, wherever it comes from. Everybody should accomplish his duty. The Party organs, the mass organizations, patriots and social activists should make clear the policy of the Party and our State, the families should educate their children as genuine patriots of the homeland, with the sentiments of an honest citizen and the organs of power should defend legislation and implement the law.

All those who are for the progress of the country and the freedom of the people should stand up and be on the alert. The unity of the people here is created in the course of many national and social struggles. Now we should maintain this unity, combating all those who want to divert us from our path, all those who wish to question not only our previous political and social victories, but also our future as a people and a nation.

Finally, in conclusion, I want to say that I wish to underscore most forcefully that in the process of the democratization of the life of the country we have neither imported others' ideas nor had them imposed by anybody. We ourselves have begun the process, proceeding from the circumstances and needs of our socialist society, from the stage of its growth and development.

It is natural that we are entering a new class struggle with internal and external reactionary forces that want to hinder and undermine this development. We should therefore not be taken aback, nor should we be disturbed by what flag they will raise and what slogans they will launch to combat us. Likewise, we should not be surprised at the resurgence of vagabonds or demagogues, servile types and café speculators, who have not failed and will not fail to spring up like mushrooms after rain. Political demagogy, ideological instrumentalism and the manipulation of public opinion represent today the preferred means of struggle against socialist ideals, against the democracy of the masses and real patriotism.

But whatever the pressures exerted on us, we will stand resolutely on our principled positions, maintaining cool-headedness and wisdom, and particularly maintaining clarity and perspective. The path of changes we have set out on is irreversible, but what is of fundamental importance today is the fact that the masses should be led by the Party, because it is precisely the Party that launched out down that path. No one, no force at home, no interference from abroad can achieve genuine democracy, human rights, progress and defence of our country's freedom and independence, except for the Party and except for our people united round it.